

**INTO WORK
(Limited by Guarantee)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

**Charity Number: SC028327
Company Registration Number: SC181737**

INTO WORK
REPORT AND FINANCIAL STATEMENTS
for the Year Ended 31 March 2018

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INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

The Directors are pleased to present their report and financial statements for the year ended 31 March 2018. The Directors of the Charitable Company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Chair Person's Report

The 2017-18 financial year saw another period of relative financial stability. The organisation focussed its framework of service provision across the City of Edinburgh, East Lothian and Midlothian. This framework incorporates: All in Edinburgh, Into Work Lothian, Project Search, the Scottish Autism Fund and local authority specific initiatives using the Five Stage Supported Employment model as promoted and supported by the Scottish Government. Annual turnover for the 2017-18 period of £949,704, was on a par with the 2016-17 period figure.

Whilst we continued to benefit from this period of stability in terms of our positive outcome performance and incoming revenues, we were acutely aware of the significant changes in the management and funding of employability services across Scotland that the new national programme (Fair Start Scotland) would bring, and how the impact of this would affect the organisation from April 2018 onwards.

The procurement process for Fair Start Scotland commenced in March 2017. Contracts were awarded in October 2017. Into Work was unable to bid for this work on its own. Therefore, the organisation aligned itself with 2 separate bidding partners, one a consortium bid, the other led by a private sector-based contractor. Unfortunately, neither bidding partner was successful, and the winning consortia bid for the area did not offer to take on any additional partners.

In terms of governance in 2017-18, we were mindful that projects supported by grants from the Autism Fund and Big Lottery Fund would technically end on 31st March 2018. We started transitional planning to reduce the overall staff costs of the organisation to ensure its long-term future. We held staff consultation events from January to March 2018 to appraise staff of our funding situation and discuss options.

We will enter Phase 1 of a formal restructuring programme on 1st April 2018 with a reduced employment team achieved through natural wastage and a 12 month secondment of a Senior Employment Adviser to DWP.

Phase 2 will begin on 31st August when our 3 Senior Managers will leave on redundancy terms. A transitional team of two Service Team Managers and a Business & Finance Officer will manage Into Work in the short-term.

Phase 3 will begin in late 2018 with the appointment of a new Senior Manager who will also consider a review of support and admin costs.

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REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

Objects and Activities

The objects of the Charity are the relief of poverty and distress of people in Scotland with a disability, by aiding them to advance into employment, and to pursue any other objects for the benefit of people with disabilities, which are now or hereafter deemed to be charitable in law.

2017-18 was a successful year, in terms of delivering and supporting a range of job, sustained job and progression to employment outcomes for people with disabilities and / or long-term health issues. These outcomes were delivered across our core service catchment area of the City of Edinburgh, East Lothian and Midlothian.

The organisation uses the nationally accepted Five Stage Supported Employment model as the basis of all its service provision. By assisting people with disabilities into employment that is paid, sustained and meets their employment aspirations within a supportive employment environment, we ensure that there are financial, social and developmental benefits for the individual. Our approach is wholly person centred.

Given the range and scope of services we deliver and the financial support that underpins that delivery, we are acutely aware of not only providing a good service, but one that meets the needs of funders and provides good value for money. To that end, all our projects and services are measured and evaluated against our funding and contractual obligations in terms of agreed target outcomes and quality of service. To gather that quantitative and qualitative information we use a range of approaches including bespoke software management tools e.g. the Caselink online database, and on-going customer feedback. Across all our activities, Into Work is committed to a regime of continuous improvement.

Achievements and Performance

The 2017-18 financial year was a successful and rewarding one for Into Work and its employees. We continued to deliver significantly on our agreed targets and outcomes.

We completed the third and final year of the Into Work Lothian Project. This capacity building project made a positive contribution to our general employment support services in Edinburgh, East and Midlothian. It also supported the development of an in-house welfare rights service.

We also completed our Autism Fund project. Full project achievements are reported below.

Code Clan and Project Search agreements were drawing to a close on 31st March. However, continuation projects were in negotiation at the end of the financial year.

Autism Fund

This is a Scottish Government sourced fund which we have had access to for over 6 years. Our current Autism Fund project ran from Oct 2015 to 31st March 2018.

Into Work remains committed to offering a specialist service to clients with an autistic spectrum disorder (ASD). and this project was delivered by our most experienced ASD Employment Adviser.

The project targets were to:

- work with 36 clients over the three year funding period,

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REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

Achievements and Performance (continued)

- support 20 of these clients into paid employment, work placement or volunteering, and,
- support 13 of these clients to access further education or training. In some cases, there was enough time for clients to complete training and then be supported on to an employment outcome during the life of the project.

Our results were excellent with targets met or exceeded as follows:

Full Project Results – 1/10/15-31/3/18	Target	Achievement
Engagements	36	37
Further education / training	13	13
Employability	20	30
Retention / in-work progression	0	5

This project promoted partnership working at its best – Into Work worked with the Autism Initiative No6 service, Local Area Co-ordinators, many health practitioners and employers to meet our targets. Partnership activities included: action planning, anxiety management and implementing support networks to help our clients to find or keep employment.

We also raised awareness of ASD in our local community to employers, parents and carers, third sector organisations and the local public sector.

All in Edinburgh (AiE)

AiE is a city-wide supported employment service contract valued at c. £1.68 million per annum. It is delivered by a consortium of four local supported employment services: Into Work, Enable Scotland, The Action Group and Forth Sector.

The establishment and development of our service in a contract environment was supported by the Into Work Lothian Project.

The contract is for four years, with an option for two further years. Year three was completed on 31st March 2018.

Year 3 results	Target	Achievement
Engagements	150	69 (208)*
Full time employment	37	37
Part time employment	7	7
Retained employment	3	3
In work progression	4	4

*The total number of new referrals and client engagements in 2017/18 was 208, but only 69 were fully compliant, recorded and added to caseloads. Into Work has a robust initial assessment process, which allows us to identify and sign-post clients to more appropriate services when required.

We will work to improve the quality of referrals in 2018/19 by productive engagement with referral agents to reduce the number of referrals for signposting and to tackle compliance issues.

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for the Year Ended 31 March 2018

Achievements and Performance (continued)

Welfare Rights Service

The Into Work Lothian project gave us the opportunity to develop a welfare rights service that puts emphasis on enabling individuals to progress towards independence by accessing relevant entitled benefits.

Our Welfare Rights Officer links with our employment services, assisting jobseekers in Edinburgh, Midlothian and West Lothian. During the period, 109 clients were assisted to gain a very impressive £206,922 in additional entitled benefits income.

East Lothian

Our East Lothian service is based in Haddington at East Lothian Council's client service hub, East Lothian Works.

The East Lothian Partnership Fund awarded a grant for the provision of one Employment Adviser. Due to priorities within East Lothian Council, this worker was seconded to provide transition support to young people aged 15-19 years leaving full time education without a positive destination. There were no specified targets for this seconded work. Our achievements were:

Year to 31/3/18	Achievement	Achievement
Total number of clients supported		37
Employment outcome	4	
Work placement outcome	5	
Further education outcome	7	
Training course outcome	6	
Activity agreement outcome	14	
Total number of positive outcomes		36

The Into Work Lothian Project (Big Lottery Fund grant) provided a part-time Employment Adviser to work within an existing East Lothian Council funded team delivering a supported employment service to clients with a disability. Into Work had no control over the client allocation. Nonetheless, our part-time service assisted 18 clients, progressing 6 into employment.

East Lothian Works provided a direct grant for welfare rights advice of up to 7 hours per week. We contracted this work to FAIR from April to December 2017. In January 2018, our in-house Welfare Rights Officer took over this role. Across the year, 53 people were assisted to access £176,749 in life changing additional entitled benefits income.

West Lothian

The Into Work Lothian project gave us an opportunity to introduce a new service in West Lothian. One Employment Adviser was based in Livingston to engage with local providers and establish a client base. In Edinburgh, East Lothian and Midlothian we work in close partnership with the local councils but, despite a lot of hard work and effort, we could not establish a similar relationship in West Lothian.

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REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

Achievements and Performance (continued)

In June 2017 we reached the conclusion that it would be too difficult to attract new funding from 1st April 2018. We closed our West Lothian service before the end of the Into Work Lothian project in order to make better use of our resources in areas where we had better support.

Midlothian

Our Midlothian service was delivered from our Edinburgh office until May 2017, when we secured premises in Dalkeith with the support of Midlothian Council.

The service is delivered by a team of three part-time Employment Advisers working on shared targets that are funded from a mixed pot: Midlothian Employability Fund grant, Into Work Lothian Project (Big Lottery Fund grant) and drawdown from Midlothian Council's ESF programme.

We have successfully integrated Into Work within the Midlothian employability framework and developed strong links with referral organisations and employers to establish new opportunities for our clients. Our results were excellent, and exceeded our targets:

Results for year to 31/3/18			
	Target		Achievement
Clients supported	45	Clients supported	48
Tangible outcome	30	Tangible outcome	48
		Employment	16
		Retention	4
		Volunteering	10
		Further Education	5
		Work focussed training	10
		Other qualifications	3

Into Work Lothian

The Into Work Lothian initiative, funded by the Big Lottery (c. £330,000 per annum, 1st April 2015 – 31st March 2018), was an innovative approach to building a composite supported employment service by adding to other sources of public, contract and European funding to enhance capacity, capability and expand geographical coverage across Edinburgh and the Lothians.

A major hurdle to achieving the full delivery capacity we anticipated in our application was caused by delays in implementing the 2014-20 Scottish ESF Programme by some of the Local Authorities. Those delays continued well into the 2016/17 financial year, precluding us from matching in Big Lottery monies and drawing down further ESF support on that investment. Consequently, we were unable to recruit the additional frontline service staff we anticipated. The Big Lottery Fund has been understanding and supportive of the challenges we faced and have expressed their strong satisfaction with what has been achieved.

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for the Year Ended 31 March 2018

Achievements and Performance (continued)

Into Work Lothian	Targets and Achievements combined for all Lothian based services (excluding Project Search)			
Outcome Category	Overall Targets	Annual Targets	Achieved Year 3	Overall Achievement to 31/03/18
People Supported	1,350	450	119	636
People into paid employment	450	150	78	233
People sustaining employment for 6 months	270	90	49	116
*Other Personal Progression Outcomes	3,510	1,170	688	2,145

*The range of Personal Progression Outcomes is a framework where each individual can achieve single or multiple outcomes, including -

- Developing the self-awareness and confidence to apply for jobs
- Developing job search skills and realistic expectations of achieving a job match
- Developing the skills to be able to participate in standard recruitment practices, and
- Understanding the financial and welfare benefits implications of taking up employment
- Improving personal financial circumstances as a result of taking up employment
- Feeling supported to undertake further career development

The number of directly supported into paid employment was 233 over a 3-year period. However, in the broader context, at least 317 people have improved their standard of living under support from the Lottery, as employment advisers also supported an additional 25 people to formally retain employment and 20 people to formally progress in their work place, whether through increased hours or a changed/enhanced role. Another 39 people over the three-year period progressed to employment via further education, training courses, work placements and volunteering.

The Into Work Lothian project was due to end on 31st March 2018. We negotiated a continuation of the project until 30th June 2018 using a grant under-spend.

Project Search

The accounting period traversed the second and third operation years of this initiative funded by the City of Edinburgh Council and the European Social Fund.

The Project SEARCH Programme supports young people with a disability to take up a one year intern position that includes 3 work placement rotations in either, Edinburgh Council's Waverley Court building or NHS Lothian's Western General Hospital. The programme also includes supported learning at the work premises, delivered by Edinburgh College.

Into Work provides two Job Coaches at each site to support the interns through their placements and to help them secure paid employment.

There are 24 places available across two sites each year.

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for the Year Ended 31 March 2018

Achievements and Performance (continued)

22 interns completed the course and graduated in June 2017. They were all successful in gaining employment either during or at the end of the Project SEARCH year. The majority of these jobs were with the host employers.

CodeClan

Code Clan is a small initiative with financial support from JP Morgan Chase Foundation. Into Work was charged to work with clients keen to progress into employment as a computer coder.

Full Project Results – 1/10/16-31/3/18	Target	Achievement
Engagements	36	48
Support on coding courses	6	6
Support into employment in IT sector	4-6	5

In addition to meeting our targets, we assisted two clients to self-fund a place on the coding training programme and a further one client to gain a scholarship.

Summary

Our wide-ranging complement of services, initiatives and projects presents Into Work as a well established support agency with an excellent reputation in whom a diverse range of funders have invested their money to good effect. As the organisation progresses towards its 25th year of operations in 2018, we anticipate a positive future for the organisation, its staff and its customers – jobseekers with disabilities, employers and funders.

Financial Review

The accounts show net income of £10,096 in the year (2017: £105,264) before adjusting for the actuarial loss/gain on the pension scheme, as detailed in the Statement of Financial Activities (SOFA). This comprises a net increase of £48,997 in unrestricted funds (2017: net decrease of £96,080) and a net increase of £10,099 in restricted funds (2017: £47,344). These figures include the actuarial gain on the pension scheme of £49,000 (2017: actuarial loss of £154,000), computed in accordance with FRS102, which results in an overall increase in funds of £59,096 for the year (2017: overall decrease of £48,736). At the balance sheet date the unrestricted reserves were £294,069 (2017: £245,072), with £125,415 (2017: £115,316) in restricted funds.

Including the Pension asset of £Nil (2017: liability of £3,000), the Charity had a net surplus of funds of £419,484 (2017: £360,388) as at the year end.

Principle Funding Sources

These consisted of the principal grant funding and service level contract for the Charity The Big Lottery Fund and The City of Edinburgh “All in Edinburgh” contract. Further detail is available in the Notes to the Annual Accounts. The directors are grateful to all the charity’s funders, whether big or small, named or anonymous, for their generosity and support.

Investment policy and performance

The investment policy and objective is to cautiously manage the assets of the Charity in order to provide long term capital growth and an appropriate level of income in order to fulfil the Charity’s objectives. The Directors are satisfied with the investment performance and returns for the year.

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REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

Reserves Policy

The directors have a policy of maintaining reserves to protect against unforeseen fluctuations in income. Previously a designated reserve fund was maintained in the charity's unrestricted funds which would contribute to the company meeting its statutory obligations and pension liabilities in the event of a redundancy situation, or enable it to continue its provision of services, if any sources of income were to cease or be delayed significantly in their payment.

The directors consider that it is prudent for them to aim to hold between three and six month's expenditure by way of reserve for these purposes, and will put in place a proactive reserves expansion plan which utilise performance-related funds, fund-raising income and an element of all unrestricted fund income. The stated intention and associated target is to add at least one month's salary and associated costs to reserves every two years over the next six financial years.

At 31 March 2018 the free reserves of the charity, comprising of the general fund (and excluding the pension scheme deficit), amounted to 222,030 (2017: £167,389). This is equivalent to about 3 months' expenditure at current levels, which is at the minimum target level outlined above.

Risk Assessment

The principal risks and uncertainties faced by the charity through 2018-21 are:

- The Long term viability of Into Work. We have been working on succession and transitional planning for a number of years to ensure Into Work continues into the future to benefit disabled job seekers and alleviate the causes/impact of poverty. We have established a 3 stage Re-structuring Programme for 2018/19. A new Senior Manager will be appointed at Stage 3 from late 2018. The post-holder will work with staff and Into Work Directors to sustain Into Work's viability in the short and long term.
- Given the projected size of future Scottish government contracts such as the recently launched Fair Start Scotland Programme, Into Work will need to build on its reputation for partnership working in order to bid for contracts as part of a consortium or indeed as a sub-contractor to a larger commercial entity.
- With the 2016 European Union Membership Referendum taking the UK on a course to leave the EU, there is still currently no firm assurance or plan as to whether European Structural Fund monies will be replaced by an indigenous framework of funding. Into Work currently draws down significant ESF funding via the All in Edinburgh contract, and a smaller Midlothian project.

These are all significant elements of risk but are by no means insurmountable. The organisation is able to operate and trade on a significant reputation and track record of quality service delivery that has delivered significant employment and progression outcomes for unemployed disabled people. Using that, we continue to raise the profile of the organisation and publicise its achievements to a wide range of audiences including the private sector, where we have generated interest on the part of blue-chip companies who have initially given us valuable pro bono practical support, which we would hope to convert into financial support or sponsorship in due course.

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REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

Plans For Future Periods

The Into Work organisation will continue to maintain its service delivery focus on working with and supporting people with disabilities and / or long term health conditions. Consequently, the Board of Into Work envisage opportunities for incremental growth in the organisations services and capacity, both in its current core operational area and further afield in new areas.

Underpinning that desire for incremental growth in the short to medium term i.e. 2018 through 2021, a number of key elements have to come together – and we have worked with partners to try and ensure there is the best possible chance of that happening. Local authorities, particularly City of Edinburgh Council, continue to invest in additional disability and employment services as the Fair Start Scotland programme will not be suitable for many jobseekers with higher support needs.

Structure, Governance and Management

Constitution

Into Work was incorporated on 23 December 1997. The Charity is a Charitable Company limited by guarantee with no share capital. The Charity's purposes and powers are prescribed by, and it is governed in accordance with, its Memorandum and Articles of Association. The Charity is recognised as a Scottish Charity.

Membership

Membership of the Charity is open to any individual or organisation with an interest in disability and employment and whose application to membership in accordance with the Charity's Memorandum and Articles of Association is successful. The liability of each Member in the event of winding-up is limited to £5.

Directors, Recruitment and Appointment of New Directors

The Board of Directors is responsible for the management of the Charity and the safeguarding of its assets. Directors are recruited to the Board with a view to cultivating a mix of skills and experiences across a broad range of relevant disciplines.

At each AGM, one third of the appointed Directors retire and are eligible for re-appointment. The board may also co-opt additional Directors to serve until the next AGM, following which they may be re-appointed.

Induction and Training of new Directors

New Directors are often already familiar with the practical work of Into Work. New Directors are provided with an induction pack and are offered training on the roles and responsibilities of Board Members, run by a number of voluntary sector providers. Refresher and other training opportunities are also offered.

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REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

Structure, Governance and Management (continued)

Organisational Structure

The board meets regularly to direct the business of the Charity, has set up an HR sub-committee, a Finance & Audit sub-committee and an Organisational Development sub-committee each comprising of three Directors and a manager from the Senior Management Team. Induction and training are given as required. Responsibility for routine operational matters is delegated to the Senior Management Team.

Policies and Procedures

Into Work appoints professional contractors to provide employment law advice and insurance cover. Policies and procedures are reviewed on a rolling basis.

Health and Safety

At each AGM a named director is appointed to take overall responsibility for Health and Safety. A named Health and Safety officer ensured that changes to Health and Safety law are reflected in Charity policies and monitors activity at Into Work projects/sites to ensure that they are implemented.

Standards

Into Work has held the Investors in People (IIP) standard since January 2000.

Into Work was awarded the Disability Confident Employer Standard in July 2017. The new standard continues to promote equal opportunities for disabled jobseekers and employees in all aspects of recruitment, employment, development and retention practices.

Remuneration Policy & Payments to Senior Management

The Directors consider the Senior Management team to be the key management personnel of the Charity. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

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REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

Reference and Administrative Information

Charity Name	Into Work	
Charity Registration Number	SC028327	
Company Registration Number	SC181737	
Directors	Brian Drinkwater Norma Whannell Valerie Bell Erica Cairney Iris McMillan Andrew Smith Rachael Crofts Kazimir Lyon Siddharth Sonkar	(Chair) (resigned 27 July 2018) (Vice-chair to 29 November 2017) (Acting chair from 27 July 2018) (Vice-chair from 29 November 2017) (resigned 26 June 2018) (appointed 29 November 2017, resigned 5 April 2018)
Company Secretary	Gordon Cooper Diana Sinclair	(resigned 30 July 2018) (appointed 29 November 2017)
Key Management Personnel	Chief Executive Officer Business & Finance Manager Client Services Manager	Peter Purves (until 31 August 2018) Gordon Cooper (until 31 August 2018) David Bain (until 31 August 2018)
Principal Office and Registered Office	Norton Park 57 Albion Road Edinburgh, EH7 5QY	
Senior Statutory Auditor	Kevin Cattanach	
Independent Auditors	Whitelaw Wells Statutory Auditor 9 Ainslie Place Edinburgh, EH3 6AT	
Bankers	Bank of Scotland 6 Picardy Place Edinburgh EH1 3JT	
Investment Manager	CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London, EC4V 4ET	

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REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

Statement Of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the Charitable Company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charitable Company will continue on that basis.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities & Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Directors are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure Of Information to Auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Charity's auditors are unaware, and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by and authorised for issue by the board of Directors on 26 September 2018 and signed on their behalf by:-

.....*Valerie M. Bell*.....

Valerie Bell
Director

INTO WORK

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

for the Year Ended 31 March 2018

We have audited the financial statements of Into Work for the year ended 31 March 2018, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

This report is made solely to the charitable company's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its net income or expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

for the Year Ended 31 March 2018

Other information

The Directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 14, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INTO WORK

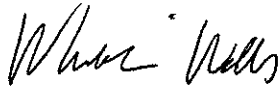
INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

For the year ended 31 March 2018

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Kevin Cattanach (Senior Statutory Auditor)
For and on behalf of Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AT

26 September 2018

INTO WORK

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income & Expenditure Account)
for the Year Ended 31 March 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<u>Income and endowments from:</u>					
<i>Donations</i>	2	52	-	52	353
<i>Charitable activities</i>					
Grants and service level agreements	3	372,956	574,208	947,164	970,212
Consultancy income	3	2,304	-	2,304	3,984
<i>Investment income</i>					
Bank interest		184	-	184	223
Pension scheme interest		-	-	-	6,000
Total		375,496	574,208	949,704	980,772
<u>Expenditure on:</u>					
<i>Raising funds</i>		8,145	-	8,145	7,774
<i>Charitable activities</i>		365,979	563,036	929,015	867,734
Total	4	374,124	563,036	937,160	875,508
Net (loss) on investments	8	(2,448)	-	(2,448)	-
Net (expenditure)/income before transfers		(1,076)	11,172	10,096	105,264
Transfers between funds	12	1,073	(1,073)	-	-
Net (expenditure)/income before other recognised gains and losses		(3)	10,099	10,096	105,264
Other recognised (losses)/gains					
Actuarial (loss)/gain on defined benefit pension scheme	14	49,000	-	49,000	(154,000)
Net movement in funds		48,997	10,099	59,096	(48,736)
Funds brought forward		245,072	115,316	360,388	409,124
Funds carried forward	12	294,069	125,415	419,484	360,388

The results for the year derive from continuing activities. The Charity has no recognised gains or losses other than those included in the Statement of Financial Activities above. The notes on pages 20 to 35 form part of these financial statements.

INTO WORK

BALANCE SHEET

AT 31 MARCH 2018

	Notes	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible fixed assets	7		3,081		874
Investments	8		47,552		-
			50,633		874
CURRENT ASSETS					
Debtors	9	166,190		98,944	
Cash at bank and on hand			272,754		336,288
			438,944		435,232
CREDITORS: amounts falling due within one year	10	(70,093)		(72,718)	
			368,851		362,514
NET CURRENT ASSETS			368,851		362,514
NET ASSETS EXCLUDING PENSION ASSET/(DEFICIT)			419,484		363,388
Pension asset/(deficit)	14		-		(3,000)
			419,494		360,388
NET ASSETS	13		419,494		360,388
FUNDS					
UNRESTRICTED FUNDS					
Unrestricted general fund	12		222,030		167,389
Designated funds	12		72,039		80,683
Pension reserve	12		-		(3,000)
RESTRICTED FUNDS	12		125,415		115,316
			419,484		360,388
			419,484		360,388

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved by the directors on 26 September 2018 and signed on their behalf by:

Valerie M. Bell

Valerie Bell

Director

Company Registration No: SC181737

The notes on pages 20 to 35 form part of these financial statements.

INTO WORK
CASH FLOW STATEMENT

AT 31 MARCH 2018

	2018	2017
	£	£
Cash flows from operating activities:		
Net cash (used in)/provided by operating activities	(9,610)	151,783
	<hr/>	<hr/>
Cash flows from investing activities:		
<i>Interest</i>	184	223
<i>Purchase of property, plant and equipment</i>	(4,108)	(1,029)
<i>Purchase of investments</i>	(50,000)	-
	<hr/>	<hr/>
Net cash (used in) investing activities	(53,924)	(806)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(63,534)	150,977
Cash and cash equivalents at the beginning of the year	336,288	185,311
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	272,754	336,288
	<hr/>	<hr/>
RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	59,096	(48,736)
Adjustments for:		
Depreciation charge	1,901	535
Loss on investments	2,448	-
Interest from investments	(184)	(223)
(Increase)/decrease in debtors	(67,246)	30,115
(Decrease)/increase in creditors	(2,625)	92
(Decrease)/increase in pension provision	(3,000)	170,000
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(9,610)	151,783
	<hr/>	<hr/>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Instant access bank deposits	272,754	336,288
	<hr/>	<hr/>
Total cash and cash equivalents	272,754	336,288
	<hr/>	<hr/>

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Into Work Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

As stated in the 2017 Annual Accounts, Into Work's intention was to partner with two eligible organisations bidding for the devolved employability programme, Fair Start Scotland. Unfortunately neither bidder was successful and the anticipated funding was not realised. This risk was noted at the time and considered by Directors, with any necessary contingencies to be put in place as and when required. These circumstances have resulted in a small number of redundancies being made at management level and some consequent restructuring of the organisation after the year end. The Directors consider that, although disappointed with this outcome, it has not adversely affected the Charity's ability to continue as a going concern for the foreseeable future.

Income Recognition

Donations including grants that provide core funding or are of general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant must only be used in future accounting periods, or when the donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Income from investments, namely bank interest, is included in the year in which it is receivable.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performances conditions is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

1. Accounting Policies (continued)

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The Charity is registered for VAT and, accordingly, expenditure is shown gross of irrecoverable VAT.

- Costs of raising funds comprise the costs associated with attracting donations and investment management cost.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include governance costs which support the Charity's programmes and activities. These costs include the expenses of Directors meetings, the statutory audit and legal and professional fees. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 4.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.
- Grants payable are recognised when the beneficiary earns the right to consideration by its performance.

Operating Leasing

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Taxation

As a recognised charitable body, the Charity is exempt from corporation tax on its charitable activity.

Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost with assets costing in excess of £500 capitalised. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:-

Office equipment	20%-33% on cost
Computer equipment	33% on cost

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measure at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

1. Accounting Policies (continued)

Investments(continued)

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or subsectors.

The Charity anticipates a long-term future and accepts the reality that financial markets are such that capital values of investments will fluctuate during a long time-scale.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Pension costs

The Charity operates a Defined Contributions Pension Scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the Scheme.

Qualifying staff are members of the Lothian Pension Fund, a multi-employer defined benefit scheme. This Scheme is now closed to new members. Deficits under the scheme are recognised in the accounts in accordance with the requirements of Financial Reporting Standard 102, based on the Charity's share of the scheme assets and liabilities, as reported by the scheme actuary. The scheme assets are valued at market value. In accordance with FRS 102 "retirement benefits" the Charity's share of a scheme deficit is recognised in full on the balance sheet and its share of a surplus is recognised to the extent that the surplus can be recovered.

Fund Accounting

- Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity.
- The Pension reserve represents the difference between the market value of the pension scheme assets and the present value of the scheme liabilities, as determined by the actuarial valuation.
- Designated funds are unrestricted funds earmarked by the Directors for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

2. Income from Donations

	2018	2018	2018	2017
	Unrestricted	Restricted		
	£	£	£	£
Other donations	52	-	52	353
	<hr/>	<hr/>	<hr/>	<hr/>
	52	-	52	353
	<hr/>	<hr/>	<hr/>	<hr/>

Income from donations was £52 (2017: £353) all of which was unrestricted.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

3. Income from Charitable Activities (grants)

	2018	2018	2018	2017
	Unrestricted	Restricted	£	£
	£	£	£	£
Supported Employment Services:				
All in Edinburgh (SLA)	371,674	-	371,674	374,016
Big Lottery Fund Grant – Into Work Lothian	-	344,018	344,018	337,947
City of Edinburgh Council – Project Search	-	95,931	95,931	121,460
East Lothian Council – Core & Fairer Scotland Fund	-	41,000	41,000	41,000
Scottish Government – Autism Development Fund	-	39,600	39,600	39,600
Scottish Government – ESF	782	-	782	-
Midlothian Council	-	30,314	30,314	35,316
Midlothian Council - ESF	-	23,345	23,345	10,373
JP Morgan Chase Foundation and City of Edinburgh Council – Get Digit-ALL for CodeClan	-	-	-	8,500
Enable Scotland - SERI	500	-	500	2,000
	-----	-----	-----	-----
Total Supported Employment Service	372,956	574,208	947,164	970,212
	-----	-----	-----	-----
Other Projects & Services				
Consultancy	2,304	-	2,304	3,984
	-----	-----	-----	-----
	2,304	-	2,304	3,984
	-----	-----	-----	-----
Total income from charitable activities	375,260	574,208	949,468	974,196
	=====	=====	=====	=====

Income from charitable activities was £949,468 (2017: £974,196) of which £375,260 (2017: £380,000) was unrestricted and £574,208 (2017: £594,196) was restricted.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

4. Expenditure

	Fundraising Costs £	All in Edinburgh £	Moving Into work £	Total 2018 £	Total 2017 £
Direct operating costs:					
Staff travel, training & events	-	1,723	7,866	9,589	12,484
Beneficiary expenses & events	-	256	302	558	892
Subscriptions and publications	-	976	1,862	2,838	3,427
Support costs:					
Staff costs (see below)	8,145	263,856	542,517	814,518	777,415
Premises costs	-	16,273	21,590	37,863	33,233
IT & website costs	-	7,215	8,385	15,600	10,927
Office administration costs	-	7,224	9,854	17,078	15,641
Other costs & professional fees	-	3,859	19,663	23,522	10,905
Depreciation	-	-	1,901	1,901	535
Irrecoverable VAT	-	-	9,943	9,943	6,474
Governance costs:					
Audit & accountancy fees	-	1,422	2,328	3,750	3,575
Total	8,145	302,804	626,211	937,160	875,508

Overheads and support costs are allocated on the basis of staff time.

Expenditure was £937,160 (2017: £875,508) of which £374,496 (2017: £328,656) was unrestricted and £574,208 (2017: £546,852) was restricted.

	2018 £	2017 £
Staff salaries	631,008	623,934
Social Security costs	50,289	50,048
Pension costs – normal contributions	83,507	74,495
Pension costs – FRS 102 adjustment	46,000	22,000
External consultants	3,714	6,938
Total	814,518	777,415

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

4. Expenditure (continued)

The average monthly number of employees during the year was:-

	2018	2017
	No.	No.
Management staff	3	3
Project staff	24	23
Administrative staff	2	2
	<hr/>	<hr/>
Total	29	28
	<hr/> <hr/>	<hr/> <hr/>

No emoluments were paid to Directors and no expenses were reimbursed in the current or previous periods.

The Charity considers its key management personnel comprise the Chief Executive Officer, Business & Finance Manager and the Client Services Manager. The total employment benefits including employer pension contributions of the key management personal was £139,756 (2017: £133,926). No employee had emoluments of more than £60,000 during either the current or previous year.

5. Summary analysis of expenditure and related income for activities

This table shows the cost of the main activities and the sources of income that support those activities.

	Fundraising	All in	Moving	Total	Total
	Costs	Edinburgh	into work	2018	2017
	£	£	£	£	£
Costs	(8,145)	(302,804)	(626,211)	(937,160)	(875,508)
Donations	52	-	-	52	353
Grants and service level agreements	-	371,674	575,490	947,164	970,212
Consultancy	-	-	2,304	2,304	3,984
Investment income	184	-	-	184	6,223
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(7,909)	68,870	(48,417)	12,544	105,264
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

6.	Net income for the year	2018	2017
		£	£
	This is stated after charging:		
	Depreciation	1,901	535
	Auditors' remuneration – audit fee	3,750	3,575
	Operating lease	20,777	22,818
		<u> </u>	<u> </u>
7.	Tangible Fixed Assets	Office	Computer
		Equipment	Equipment
		£	£
	Cost		Total
	At 1 April 2017	7,630	20,449
	Additions	-	4,108
	Disposals	(2,385)	(2,913)
		<u> </u>	<u> </u>
	At 31 March 2018	5,245	21,644
		<u> </u>	<u> </u>
	Depreciation		
	At 1 April 2017	7,630	19,575
	Charge for year	-	1,901
	Eliminated on disposals	(2,385)	(2,913)
		<u> </u>	<u> </u>
	At 31 March 2018	5,245	18,563
		<u> </u>	<u> </u>
	Net book value		
	At 31 March 2018	-	3,081
		<u> </u>	<u> </u>
	At 31 March 2017	-	874
		<u> </u>	<u> </u>

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

8. Investments		2018	2017
		£	£
Market value at 1 April 2017			-
Additions		50,000	-
Unrealised loss on investments		(2,448)	-
		<hr/>	<hr/>
Market value at 31 March 2018		47,552	-
		<hr/> <hr/>	<hr/> <hr/>
Historic Cost			
At 31 March 2018 (excluding cash)		50,000	-
		<hr/> <hr/>	<hr/> <hr/>
The portfolio consists of:			
		2018	2017
		£	£
UK Securities		47,552	-
		<hr/> <hr/>	<hr/> <hr/>

All investments are carried at their fair value. Investments are all in traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

9. Debtors		2018	2017
		£	£
Grants receivable		157,604	93,302
Other debtors		8,586	5,642
		<hr/>	<hr/>
		166,190	98,944
		<hr/> <hr/>	<hr/> <hr/>
10. Creditors: Amounts falling due within one year:			
		2018	2017
		£	£
Deferred income – note (a) below		-	14,579
Other Taxation and Social Security		14,150	11,707
Pension contributions		9,266	9,130
Accruals		9,086	10,399
Other creditors		486	243
VAT		37,105	26,660
		<hr/>	<hr/>
		70,093	72,718
		<hr/> <hr/>	<hr/> <hr/>

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

10. Creditors: Amounts falling due within one year: (continued)

(a) Deferred income

	2018	2017
	£	£
Balance at 31 March 2017	14,579	7,000
Released to Statement of Financial Activities	(14,579)	(7,000)
Amounts received and deferred during the year	-	14,579
	-	14,579
	-	14,579

11. Commitments under Operating Leases

At 31 March 2018 the Charity had annual commitments under non-cancellable operating leases as set out below:-

	2018	2018	2017	2017
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	19,445	1,256	14,805	1,256
One to two years	19,445	209	14,805	1,256
Two to five years	17,621	-	18,506	209
	-	-	-	-
	-	-	-	-

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2017

12. Movement on Funds

	Note	At 1 April 2017 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	At 31 March 2018 £
Restricted funds:							
Midlothian	a	9,298	53,659	(51,644)	-	-	11,313
East Lothian (FSF)	b	323	41,000	(38,860)	-	-	2,463
Autism Project	c	1,408	39,600	(40,330)	-	-	678
CEC – Project Search	d	56,746	95,931	(115,879)	-	-	36,798
BLF – Into Work Lothian	e	42,098	344,018	(310,863)	-	-	75,253
Digital Inclusion Project	f	5,443	-	(5,460)	-	(1,073)	(1,090)
Total restricted funds		115,316	574,208	(563,036)	-	(1,073)	125,415
Unrestricted funds:							
Designated funds:							
Development fund	g	2,421	-	(2,332)	-	-	89
CEC – All in Edinburgh	h	77,388	371,674	(302,805)	-	(77,388)	68,869
Fixed asset fund	i	874	-	(1,901)	-	4,108	3,081
Total designated		80,683	371,674	(307,038)	-	(73,280)	72,039
Pension deficit fund	j	(3,000)	-	(46,000)	49,000	-	-
General fund		167,389	3,822	(21,086)	(2,448)	74,353	222,030
Total unrestricted		245,072	375,496	(374,124)	46,552	1,073	294,069
Total Funds		360,388	949,704	(937,160)	46,552	-	419,484

Notes on funds:

- a. The “Into Work Midlothian” project is funded by Midlothian Council through their Employability Learning and Training Standard grant fund to support disabled job seekers into employment, FE training, placement, volunteering or employment focused training. It is matched into the Midlothian ESF Programme which commenced on 1st August 2016 and runs to 31st December 2018, drawing down additional ESF funds which add capacity and additional resources to that service.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

12. Movement on Funds (continued)

Notes on funds:

- b. The "IntoWork East Lothian" project is funded by East Lothian Council's Partnership Grant Fund to support disabled job seekers into employment, FE training, placement, volunteering or employment focused training. This service is delivered in partnership with East Lothian Council's employability service – East Lothian Works (also a funding contributor) – with an IntoWork member of staff permanently seconded to their office in Haddington. The funding also supports a part-time Welfare Rights service for disabled people in Midlothian provided in partnership with Family Advice and Information Resource (FAIR).
- c. The Autism Fund project, funded by the Scottish Government, complimented the Edinburgh ESF project, providing a higher level of support to people with autism further removed from the employability stage.
- d. Project Search is funded by Edinburgh Council and provides a supported internship programme for young people aged 16-24 based at the Council's headquarters in Waverley Court. The programme is a partnership between the host employer (Edinburgh Council), a training provider (Edinburgh College) and a supported employment agency (IntoWork). The funding pays for IntoWork's job coaching element of the programme.
- e. Intowork Lothian is funded by Big Lottery Fund Grant and will continue and expand existing supported employment services across Edinburgh and the Lothians for people with disabilities including autism, Asperger syndrome, acquired brain injury, mental ill health, learning and physical disability, including sensory impairments.
- f. The Digital Inclusion project initially funded by BT Scotland which supported specific disability groups through active engagement with digital technology came to an end in August 2015 and the remaining surplus was transferred out the fund this year as agreed with the funder. During 2016, new funding from JP Morgan Chase Foundation and The City of Edinburgh Council Get Digit-ALL for CodeClan supported training replaced this. Into Work provides specialist soft skill support for up to 6 people engaging in the CodeClan programme, continuing support for client and employer up to 6 months post course. The closing deficit will be cleared during 2018/19.
- g. The Development fund has been set aside to cover unfunded office equipment and refurbishment, training and development costs.
- h. The All in Edinburgh project is funded by City of Edinburgh Council via Capital City Partnership's Improving Employability Challenge Fund to provide a specialist employment service to disabled young people aged 16-30. The project builds on and expands the coverage of the existing Edinburgh Guarantee offer, creating additional employment opportunities for those young people using the five stage supported employment model.

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2018

12. Movement on Funds (continued)

Notes on funds:

- i. The fixed asset fund corresponds to the net book value of fixed assets. Annual depreciation is charged to the fund and the cost of fixed assets purchased is transferred in to it.
- j. The pension deficit fund represents movements in the pension deficit over the year, as advised by the scheme actuary (see also note 14 to the accounts).

		At 1 April 2016 £	Income £	Expenditure £	Actuarial (loss) £	Transfers £	At 31 March 2017 £
	Note						
Restricted funds:							
Midlothian	a	299	45,689	(36,690)	-	-	9,298
East Lothian (FSF)	b	101	41,000	(40,778)	-	-	323
Autism Project	c	566	39,600	(38,758)	-	-	1,408
CEC – Project Search	d	35,724	121,460	(100,438)	-	-	56,746
BLF – Into Work Lothian	e	30,209	337,947	(326,058)	-	-	42,098
Digital Inclusion Project	f	1,073	8,500	(4,130)	-	-	5,443
		-----	-----	-----	-----	-----	-----
Total restricted funds		67,972	594,196	(546,852)	-	-	115,316
		-----	-----	-----	-----	-----	-----
Unrestricted funds:							
Designated funds:							
Development fund	g	3,107	-	(686)	-	-	2,421
CEC – All in Edinburgh	h	79,973	374,016	(296,628)	-	(79,973)	77,388
Fixed asset fund	i	380	-	(535)	-	1,029	874
		-----	-----	-----	-----	-----	-----
Total designated		83,460	374,016	(297,849)	-	(78,944)	80,683
Pension deficit fund	j	167,000	6,000	(22,000)	(154,000)	-	(3,000)
General fund		90,692	6,560	(8,807)	-	78,944	167,389
		-----	-----	-----	-----	-----	-----
Total unrestricted		341,152	386,576	(328,656)	(154,000)	-	245,072
		-----	-----	-----	-----	-----	-----
Total Funds		409,124	980,772	(875,508)	(154,000)	-	360,388
		=====	=====	=====	=====	=====	=====

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NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

13. Analysis of Net Assets Between Funds

	General Fund £	Pension Asset £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	-	3,081	-	3,081
Fixed assets investments	47,552	-	-	-	47,552
Net current assets	174,478	-	68,958	125,415	368,851
Pension Scheme asset	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets at 31 March 2018	222,030	-	72,039	125,415	419,484
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	General Fund £	Pension Deficit £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	-	874	-	874
Net current assets	87,416	-	159,782	115,316	362,514
Pension Scheme deficit	-	(3,000)	-	-	(3,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets at 31 March 2017	87,416	(3,000)	160,656	115,316	360,388
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

14. Pension and Other Post-Retirement Benefit Commitments

Defined Contribution Pension Scheme

The Charity participates in a defined contribution pension scheme run by NEST. The Charity's contribution to this scheme is 7.5% of participants' salaries which is charged to the Statement of Financial Activities in the year to which the payments relate. This scheme is open to all qualifying employees.

Defined contribution	2018 £	2017 £
Contributions payable by the Charity for the year	31,507	27,552
Amounts outstanding at the year end	3,225	3,299
	<hr/>	<hr/>

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NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

14. **Pension and Other Post-Retirement Benefit Commitments (continued)**
Final Salary Pension Scheme

The Charity is a participating employer in the Lothian Pension Fund ("The Scheme") that provides benefits based on final pensionable pay (i.e. defined benefit scheme). The assets of the Scheme are held separately from those of the Charity. Contributions are charged to the Income and Expenditure account so as to spread the cost of pensions over the employees' working lives with the Charity. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

An actuarial valuation was carried out at 31 March 2018 by a qualified independent actuary for FRS 102 purposes.

The major assumptions used by the actuary were:

	31 March 2018	31 March 2017
	% per annum	% per annum
Pension Increase Rate	2.4	2.4
Salary Increases Rate	4.1	4.4
Discount Rate	2.7	2.6

The employer's share of the assets in the scheme and the expected rate of return were:

	Long Term Return at 31/03/18 (%p.a)	Value at 31/03/18 £(000)	Long Term Return at 31/03/17 (%p.a)	Value at 31/03/17 £(000)
Equities	(0.3)	2,326	22.6	2,025
Bonds	(0.3)	341	22.6	695
Property	(0.3)	217	22.6	212
Cash	(0.3)	217	22.6	91
	-----	-----	-----	-----
Total market value of assets		3,101		3,023
Present value of scheme liabilities		(2,757)		(3,026)
		-----		-----
Surplus/(deficit) in the scheme		344		(3)
		=====		=====

The most recent valuation showed that the market value of the scheme's assets was £3,101,000 (2017: £3,023,000) and that the actuarial value of these assets represented 100% (2017: 100%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the Charity are 22.3% from 1 April 2015 and employee contributions vary depending on individual employees' salary rates.

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NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2018

14. Pension and Other Post-Retirement Benefit Commitments (continued)

Movement during the year:	Year to 31/03/18 £	Year to 31/03/17 £
(Deficit)/surplus at beginning of year	(3,000)	167,000
Movement in Year:		
Current Service Cost	(98,000)	(72,000)
Employer Contributions	52,000	50,000
Net interest charge	-	6,000
Actuarial gain/(loss)	49,000	(154,000)
	<hr/>	<hr/>
Surplus/(Deficit) at end of year	-	(3,000)
	<hr/>	<hr/>

The actuarial valuation at 31 March 2018 showed a movement in the year from a deficit of £3,000 to a surplus of £344,000, which has been restricted in the accounts.

15. Related Party Transactions

No one individual had control of the Charity during the year.

There were no related party transactions during the year as required to be disclosed by Financial Reporting Statement 102.

16. Company Limited by Guarantee

The Charitable Company has no share capital as it is a Company limited by guarantee.

17. Commitment

At the year end, the Charity had a commitment of £nil (2017: £4,482) to design and develop a new website.