

COMPANY NO: SC327751

CHARITY NO: SC038851

**CEIS AYRSHIRE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

CEIS AYRSHIRE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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CEIS AYRSHIRE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

Gerald Lindsay (appointed 01/06/2022)
Sheila Fyfe
Ian Mitchell (resigned 10/05/2021)
Gunjan Yadav
Julie McLachlan
Laura Worku
James Bristow

Secretary

Fiona McClune

Principal Office

26 Eglinton Street
Irvine
Ayrshire
KA12 8AS

Charity Number:

SC038851

Company Number:

SC327751

Independent Auditors

Wylie & Bisset (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Bankers

Bank of Scotland
Argyle St Branch
Glasgow
G2 8BX

RBS
Glasgow Parkhead Branch
1304 Duke St
G31 5PZ

Solicitors

MacRoberts
Capella
60 York Street
Glasgow
G2 8JX

CEIS AYRSHIRE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE INFORMATION (continued)

Senior Management

Martin Avila (CEO)
Stephen Hamill (General Manager)
Joyce Houston (Operations Manager)
Bryan Hamilton (Skills & Training Services Manager)
Caroline Campbell (Office Manager)
Keith Mason (Business Services Manager)

CEIS AYRSHIRE

Report of the Trustees for the year ended 31 March 2022

The Trustees present their annual report and financial statements of the charity for the period ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 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).

Objectives and activities

CEIS Ayrshire is a fully owned subsidiary of Community Enterprise in Scotland (CEIS), a company limited by guarantee, and shares the same mission driven aspects of the wider CEIS organisation. It is a formal legal entity and business with charitable status and continues to develop services and essential support within the local employability and training landscape in Ayrshire and Dumfries and Galloway.

CEIS Ayrshire has four primary objects, which are set out in its Memorandum of Association.

- A. To relieve and / or prevent poverty, particularly among residents of Ayrshire and Dumfries and Galloway.
- B. To relieve unemployment, particularly among residents of our operating area, for the public benefit in such ways as may be thought fit, including assistance to find employment.
- C. To advance education, particularly among residents of the operating area, including the provision of training and skills of all kinds (particularly such skills that will assist the participants in obtaining employment).
- D. To promote, establish and /or support other projects and programmes which further the same or similar charitable purposes either for the benefits for the residents of our operation area or otherwise.

To meet the objects of the organisation, CEIS Ayrshire delivers a range of services to individuals, businesses, and communities. Offices are in Ayrshire and Dumfries. In 2021/22 CEIS Ayrshire worked to achieve the following aims to support the objects set out in the governing documents of the organisation.

1. To ensure the long-term financial stability for CEIS Ayrshire.
2. To optimise CEIS Ayrshire identity and delivery through partnership working thereby improving local delivery infrastructure.
3. To target barriers to economic and social exclusion, promoting justice and equality for all.
4. To promote opportunities which address the dynamics of change for every individual.
5. To ensure that CEIS Ayrshire is a visible and active partner in the mechanism for change in Ayrshire.

CEIS AYRSHIRE

Report of the Trustees for the year ended 31 March 2022

1. Achievements and performance

In 2021/22 CEIS Ayrshire identified the following achievements and outcomes through its system of measuring performance against objectives. This KPI system involves consultation with all staff and the objectives and targets are agreed by the board of directors. The key performance targets are a standing item at the CEIS Ayrshire monthly senior management team meeting and are fully updated each quarter prior to reporting progress to staff and trustees. There are 12 KPIs in total and these are summarised in "The Vital Few" where cumulative support interventions, jobs created, individuals trained etc. are gathered and reported.

CEIS Ayrshire KPI's – The Vital Few	2021/22 Target	2021/22 Actual
CEIS Ayrshire: develop new projects across portfolio of services	2	4
Create 3 pilot initiatives and/or projects with key strategic partnerships	3	8
Develop and expand portfolio of training services and deliver platforms in line with customer needs	1	5
Income to be generated	1,547,083	2,163,043
Individuals Supported	1840	1,747
Skills and Training Delegates/Interventions	1490	1,817
People Supported into Employment	680	642
Instances of achieving certification through Skills & Training Services	1748	3,514
Businesses (Organisations) supported	680	976
Local businesses assisted with training in work advancement and workforce development	210	295
New External partnerships/collaborations	6	10
Staff training and development days:	300	275

In 2021/22 CEIS Ayrshire undertook these activities in line with its aims and objectives. The performance in terms of operational delivery was exceeded in 94 out of the 12 set KPIs, 3 were slightly below target, but still performed well in terms of contractual obligations.

CEIS AYRSHIRE

Report of the Trustees for the year ended 31 March 2022

Over the last year we successfully diversified our operations and improved our service delivery.

We have invested in Train Me, an online and integrated training portfolio of vocational and sectoral training opportunities, which have become an integral part of connection between businesses, our stakeholders, and our clients.

We have also used this period to invest in DevelopMe, a client progression and management system which underpins our service in employability, supporting one to one and remote support undertaken by staff. This system builds on the skills needed with a range of self-help participation and personal development interventions for the client to navigate. As a Gateway organisation for DWP Kickstart scheme we built an excellent relationship and reputation as an honest and supportive intermediary organisation brokering the needs of business with the needs of individuals seeking work. We also supported North Ayrshire Council in their Kickstart delivery with training.

CEIS Ayrshire continued its policy of using our purchasing power and areas of influence to add value to our clients and partners. Part of this involves encouraging third sector organisations to create social value by trading with each other and co-delivering services. We recognise that this creates both an economic benefit and also builds capacity and experience.

2. Financial review

For the financial year ending on 31 March 2022, CEIS Ayrshire delivered a surplus of £44,934 (2021: £15,500).

The DWP Kickstart and the Online Training projects were successful in creating a surplus, and continued support of North Ayrshire's employability contract allowed us to develop on new areas of work. The delivery of services on the Skills Development Scotland Employability Fund was problematic during lockdown, however it improved at the end of the year.

CEIS Ayrshire officers and board have set a positive budget for 2022/23, although this would depend on the future of securing a new North Ayrshire Council contract if it is commissioned

The trustees have set a reserves policy which ensures that the organisation's core activity could continue during a period of unforeseen difficulty. A portion of reserves are maintained in a realisable form, considering:

- Risks associated with each stream of income and expenditure being different from that budgeted.
- Our planned activity level and the organisation's commitments.
- The effect of scenarios such as a change of government that might affect our area of operations.
- Consideration of future needs and opportunities including expansion or contraction of services and staffing.

CEIS AYRSHIRE

Report of the Trustees for the year ended 31 March 2022

The CEIS Ayrshire Trustees have agreed that, given the trading circumstances facing Third Sector organisations, general economic uncertainty, reductions in public sector expenditure and the potential impact of local and national political changes influencing the sector, CEIS Ayrshire should aim to hold 6 months of core operating costs. The officers will endeavour to ensure the company operates in a profitable and sustainable manner and will continue to work to build a realisable reserve to meet demands on the company in an uncertain environment.

The officers will endeavour to ensure the company operates in a profitable and sustainable manner and will continue to work to build a realisable reserve to meet demands on the company in an uncertain environment.

	3-6 months operating cost	Current reserve
CEIS Ayrshire	£28,531- £57,062	£389,978

The total unrestricted funds at 31 March 2022 total £390k (2021: £392k). The levels of designated funds will be reviewed annually to ensure they reflect the current organisational structure. Last year of the £392k of general funds £270k was designated for running cost contingencies and £70k for redundancy contingency. These designations have been removed in 2022.

3. Plans for future periods.

CEIS Ayrshire has set out its KPI's and overall aims and objectives for 2023; this includes continuing to consolidate and successfully delivering its core employability services contracts within North Ayrshire. In addition, we aim to build new employment contract opportunities in our key geographical areas, such as East Ayrshire, as they arise over the next 12 months.

We believe we will face a challenge of scale; our services are anticipating a demand placed upon our capacity by the level of unemployment, especially supporting those further away from the labour market. We have vacancies within our areas, but a skills mismatch highlights a need to ensure a flexible and progressive pathway for those trying to secure employment. To compliment this, we have developed our digital model of service embracing a new way of digital service delivery and augmenting our core face to face approach. This is a challenge in that digital literacy in some cases in our areas is particularly low and therefore any service we provide will be adaptable in tailoring the approach to the profile of individual clients. The changing client profile will also require fine tuning when developing and expanding on our delivery.

The future of the sector is still unclear and funding to provide services will be challenging for the contracts that rely on outcome based, face to face delivery, but we will ensure we have an agile contingency and continuity plan to ensure we deliver services and secure the funding to do so. Our Business Services and Development team will build on the current relationships to develop training opportunities.

As an organisation and employer tied to Ayrshire by history and by mission, with well-established local relationships, we support and share Community Wealth Building goals.

CEIS AYRSHIRE

Report of the Trustees for the year ended 31 March 2022

Our own mission and services are aligned to improving collective wellbeing and creating a strong, resilient, and inclusive local and regional economy which shows our commitment to embedding the Community Wealth Building principles and the pillar objectives.

This current economic situation means our services are needed more than ever. To support local residents and local employers we are increasing our business support services in the form of consultancy, recruitment, skills and training, workforce development, support staff and trainees.

4. Structure, governance and management

CEIS Ayrshire is a company Limited by Guarantee governed by its Memorandum and Articles of Association. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR). The principal activity of the charity CEIS Ayrshire is to support disadvantaged communities through the development and delivery of new and innovative employability services across Ayrshire.

All trustees are proposed for approval at board meetings and require approval by the CEIS (parent company) Board. New directors are appointed on the basis of a skills matrix of existing board members to ensure that the company has a board of directors with relevant experience and expertise.

All new trustees receive an induction pack which is updated on a regular basis. The pack includes the policies and procedures of the organisation, guidance on the duties and responsibilities of trustees, the governing documents of the organisation and information about the format of Board meetings, general meetings, and governance arrangements. The trustee induction process includes time with staff and clients in CEIS Ayrshire services and bespoke preparation to ensure trustees are familiar with CEIS Ayrshire services.

The board of trustees, which can have up to 11 members, but no less than 5, administers the charity and meets quarterly. The General Manager is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority for operational matters including finance and employment within limits agreed by the board.

The main functions of the CEIS Ayrshire Board are to improve organisational performance and to ensure a high standard of governance. The Board works to achieve the best outcomes for the company by working in partnership with the management team. This model acknowledges that the officers have considerable expertise and experience and that board and management working in partnership will achieve the best outcomes for the company.

CEIS Ayrshire's management team has a leadership function and is committed to the realisation of the company purpose, guided by our social enterprise values and principles. The management team works to achieve a balance between engaging and consulting with team members across the company and working in partnership with the CEIS Ayrshire directors to whom they are ultimately accountable.

The governance function is also of vital importance and each board member completes an induction programme and is offered relevant training and development so that they can contribute to company governance and performance as soon as possible after joining the board. Board priorities include focusing on long term objectives, perpetuating an effective board, engagement in strategic planning, holding management accountable and reviewing the impact of the company.

CEIS AYRSHIRE

Report of the Trustees for the year ended 31 March 2022

CEIS Ayrshire Board members are selected on the basis of their expertise and experience but also due to their connection with the structures and sectors that overlap with CEIS Ayrshire business. This “boundary spanning” dimension helps the company identify and respond to external change. As the CEIS Ayrshire business is diverse, this leads to a wide range of performance objectives and broad sectoral boundaries. Board members composition is drawn from social enterprises, private sector and government agency.

The remit of the Board is as follows.

- Review and monitor finances.
- Ensure annual budgets are geared to long term sustainability;
- Review annual increment/pay/pension;
- Agree strategy to improve balance sheet;
- Ensure organisation is structured appropriately for market and within resources available;
- Explore best route to developing a learning and improving organisation, maximising individual skills/ experience;
- Governance and compliance issues;
- Bring financial/HR/structural issues of significance to main CEIS Board for consideration or action/approval.

The trustees have delegated day-to-day management responsibility to the General Manager, Stephen Hamill and the senior management team. The senior management team meet each month to review business performance including management accounts, key performance indicators, and innovation. Key issues are shared with staff via the company intranet and with Boards through quarterly board reporting.

5. Risk Management

CEIS Ayrshire gives consideration of risk to charitable assets from trading, ability to attract investment, tax efficiency and the ability to have a board of directors with specialist skills and expertise. This includes the ability to have a local company operating employability services in Ayrshire. The trustees have a risk management strategy which comprises:

- An annual review of risks the charity may face. This review is carried out by all staff at a company planning session and subsequently approved by the Board of Trustees.
- The establishment of systems and procedures designed to mitigate those risks identified in the plan. The CEIS Ayrshire risk register is a comprehensive register. designed to identify the major risks faced by the company and the probability and impact of such risks occurring.
- The implementation of procedures designed to minimise any potential impact on the charity should these risks materialise. This includes identifying actions, timescale, action owners and resource requirements.
- The Risk Register is reviewed and the significant risks (usually 10-12), are tabled at quarterly board meetings to enable trustees to address emerging risks and progress on risk mitigation. This is a continuous process of risk assessment and mitigation which engages staff and trustees in a pro-active manner to ensure the company is not impeded in its work to deliver charitable objectives.

CEIS AYRSHIRE

Report of the Trustees for the year ended 31 March 2022

- The organisation has a Disaster Recovery Plan reflecting the wishes of the Trustees to protect the records and operations of the company in the event of a fire, flood or natural disaster. In 2011 CEIS Ayrshire moved email and computer records to a “cloud computing” platform to ensure the company can avail itself of the highest possible security protection for our company and client records.
- Corporate Services – CEIS Ayrshire staff are supported by CEIS Group Corporate Services to enable the group to meet its governance and operational functions. The mix of business units operating mainly in a contract management culture, requires a comprehensive and high-quality corporate service support.

Trustees’ responsibilities in relation to the financial statements

The charity trustees (who are also the directors of CEIS Ayrshire for the purposes of company law) are responsible for preparing a trustees’ annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees 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.

Auditors

A resolution will be proposed at the Annual General Meeting that Wylie & Bisset (Audit) Limited be reappointed as auditors to the charity for the ensuing year.

Statement of Disclosure to the Auditor

In so far as the trustees are aware:

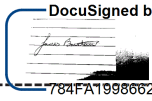
- there is no relevant audit information of which the charity auditor is unaware; and

CEIS AYRSHIRE

Report of the Trustees for the year ended 31 March 2022

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees and signed on their behalf by:

DocuSigned by:


784FA1998662414...

Name: James Bristow

Date: 26 August 2022

CEIS AYRSHIRE INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF CEIS AYRSHIRE FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of CEIS Ayrshire (the 'charitable company') for the year ended 31 March 2022 which comprise the Charitable Company Statement of Financial Activities, Balance Sheet and Statement of Cash Flows 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's affairs as at 31 March 2022 and of the charitable company's incoming resources and application of resources, including their income and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 Auditor's 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

CEIS AYRSHIRE INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF CEIS AYRSHIRE FOR THE YEAR ENDED 31 MARCH 2022

Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Directors' Report included in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities 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; or
- The directors were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Respective responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9-10 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

**CEIS AYRSHIRE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF CEIS
AYRSHIRE FOR THE YEAR ENDED 31 MARCH 2022**

We design procedures in line with our responsibilities, outline above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which it operates and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations; and

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following:

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates:
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements:
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims:
- Reading minutes of meetings of those charged with governance:
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

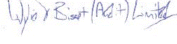
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

CEIS AYRSHIRE INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF CEIS AYRSHIRE FOR THE YEAR ENDED 31 MARCH 2022

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with 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 and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Scott Gillon BA(Hons) FCCA CA
Senior Statutory Auditor
For and on behalf of Wylie & Bisset (Audit) Limited

168 Bath Street
Glasgow
G2 4TP

Wylie & Bisset (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Date: 26 August 2022

CEIS AYRSHIRE
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2022
(Including an Income and Expenditure account)

	Note	Unrestricted Funds Year to 31 March 2022 £	Restricted Funds Year to 31 March 2022 £	Total Funds Year to 31 March 2022 £	Unrestricted Funds Year to 31 March 2021 £	Restricted Funds Year to 31 March 2021 £	Total Funds Year to 31 March 2021 £
Income and endowments from:							
Charitable activities	4	142,211	2,020,832	2,163,043	18,585	1,129,764	1,148,349
Other income resources	5	-	-	-	-	19,211	19,211
Total Income		142,211	2,020,832	2,163,043	18,585	1,148,975	1,167,560
Expenditure on:							
Charitable activities	8	143,523	1,974,586	2,118,109	3,085	1,148,975	1,152,060
Total Expenditure		143,523	1,974,586	2,118,109	3,085	1,148,975	1,152,060
Net incoming resources before transfers		(1,312)	46,246	44,934	15,500	-	15,500
Transfers between funds		(1,349)	1,349	-	-	-	-
Net movement in funds		(2,661)	47,595	44,934	15,500	-	15,500
Funds reconciliation							
Total Funds brought forward	15	392,639	-	392,639	377,139	-	377,139
Total Funds carried forward	15	389,978	47,595	437,573	392,639	-	392,639

The Statement of Financial Activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

CEIS AYRSHIRE**BALANCE SHEET AS AT 31 MARCH 2022**

	Note	As at 31 March 2022 £	As at 31 March 2021 £
<i>Current assets:</i>			
Debtors	12	161,755	165,150
Cash at bank and in hand	18	405,207	269,593
Total Current Assets		<u>566,962</u>	<u>434,743</u>
<i>Liabilities:</i>			
Creditors falling due within one year	13	(129,389)	(42,104)
Net Current assets		<u>437,573</u>	<u>392,639</u>
Net assets		<u>437,573</u>	<u>392,639</u>
<i>The funds of the charity:</i>			
Unrestricted funds	15	389,978	392,639
Restricted income funds	15	47,595	-
Total charity funds		<u>437,573</u>	<u>392,639</u>

Approved by the trustees on 26 August 2022 and signed on their behalf by:

DocuSigned by:

 784FA1998662414...

Name: James Bristow

Company registration number: SC327751

The notes on pages 18 to 27 form part of these financial statements

CEIS AYRSHIRE**STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 MARCH 2022**

	Note	Year to 31 March 2022	Year to 31 March 2021
		£	£
<i>Cash flows from operating activities:</i>			
Net cash provided/(used in) by operating activities	17	135,614	(19,862)
<i>Cash flows from investing activities:</i>			
Interest from investments		-	1
Net cash provided by investing activities		-	1
Change in cash and cash equivalents in the year		135,614	(19,861)
Cash and cash equivalent brought forward		269,593	289,454
Cash and cash equivalents carried forward	18	405,207	269,593

CEIS AYRSHIRE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 15.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

CEIS AYRSHIRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****1. Accounting Policies (continued)****(d) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (e) below.

- Expenditure on charitable activities includes Employability and other activities undertaken to further the purposes of the charity and their associated support costs;
- Other expenditure includes trading expenditure generated by the subsidiary companies

(e) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of support and governance costs is analysed in note 7.

(f) Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

Computer Equipment	Basis 33.3% on cost
--------------------	------------------------

(g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CEIS AYRSHIRE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting Policies (continued)

(i) Creditors and provisions

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(j) Pensions

Employees of the charity are entitled to join a defined contribution scheme. The charity contribution is restricted to the contributions disclosed in note 9. There were no outstanding contributions at the year end.

(k) Financial instruments

The charity and its subsidiary companies only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(l) Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

(m) Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

(n) Judgements and key sources of estimation and uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Bad debt provision

Trade debtors are reviewed by appropriate experienced senior management on a case-by-case basis with the balance outstanding and the ageing of the debtor taken into consideration.

CEIS AYRSHIRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****2. Legal status of the Charity**

The Charity is a registered Scottish charity.

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Related party transactions and trustees' expenses and remuneration

The Group CEO, Ian Mitchell is remunerated but resigned from CEIS Ayrshire on 10/05/2021. For information on this remuneration, please see the accounts of the parent charity, Community Enterprise in Scotland (SC087515). All other trustees give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2021: £nil). It is not the practice of the charity to reimburse Trustee expenses. There were no donations made by trustees during the year (2021: £nil).

During the period CEIS Ayrshire rented office space owned by CVO East Ayrshire, of which one Trustee, Fiona Fawdry, is the CEO. The total cost to CEIS Ayrshire during the year in relation to this rental was £nil (2021: £9,017). CEIS Ayrshire also paid £21,000 (2021: £28,000) in relation to rented property of which the landlord is related to one Trustee, Julie McLachlan.

4. Income from charitable activities

	2022	2021
	£	£
Employability	2,163,043	1,148,139
	<u>2,163,043</u>	<u>1,148,349</u>

5. Other income resources

	2022	2021
	£	£
Coronavirus Job Retention Scheme	-	19,211
	<u>-</u>	<u>19,211</u>

6. Government Grants

	2022	2021
	£	£
SALUS	-	1,773
ILA/ITA	69,670	62,000
Supporting Communities Fund	3,828	15,499
East Ayrshire Council – Pipeline	-	30,658
North Ayrshire Council – LOTS	333	230,808
North Ayrshire Council – Keyworker	896,393	453,372
Skills Development Scotland	234,500	180,287
Coronavirus Job Retention Scheme	-	19,212
Kickstart	797,795	-
	<u>2,002,519</u>	<u>993,609</u>

See restricted funds narratives within note 15 outlining the nature of the above funding sources.

CEIS AYRSHIRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****7. Allocation of governance and support costs**

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total allocated	Governance related	2022 total	Basis of apportionment
	£	£	£	
Telephone/PPST	9,051	-	9,051	Usage
Client costs	243,295	-	243,295	Usage
Equipment/Office costs	163	-	163	Usage
Management fees	147,590	-	147,590	Usage
Consultancy/ Professional fees	19,768	-	19,768	Usage
Sundries	4,753	-	4,753	Usage
Marketing	1,287	-	1,287	Usage
Total	425,907	-	425,907	

Cost type	Total allocated	Governance related	2021 total	Basis of apportionment
	£	£	£	
Telephone/PPST	8,556	-	8,556	Usage
Client costs	138,454	-	138,454	Usage
Equipment/Office costs	1,151	-	1,151	Usage
Management fees	174,638	-	174,638	Usage
Consultancy/ Professional fees	(14,644)	-	(14,644)	Usage
Sundries	3,969	-	3,969	Usage
Marketing	2,672	-	2,672	Usage
Total	314,796	-	314,796	

Governance costs:

	2022	2021
	£	£
Consultancy	4,249	4,249

Allocation of governance and other support costs:

	2022	2021
	£	£
Employability	4,249	4,249
Total allocated	4,249	4,249

8. Analysis of expenditure on charitable activities

	2022	2021
	£	£
Salaries & other staff costs	921,329	818,684
Kickstart awards	733,197	-
Overheads	27,349	11,250
Audit fee	6,078	3,081
Governance costs (note 7)	4,249	4,249
Support costs (note 7)	425,907	314,796
	2,118,109	1,152,060

CEIS AYRSHIRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****9. Analysis of staff costs and remuneration of key management personnel**

	2022	2021
	£	£
Salaries and wages	757,018	702,310
Social security costs	64,023	48,940
Employer contributions to pension schemes	53,417	47,187
Total staff costs and employee benefits	<u>874,458</u>	<u>798,437</u>

	2022	2021
	No.	No.
The average number of persons, by headcount, employed by the charity during the year was:	<u>29</u>	<u>31</u>

	2022	2021
	£	£
Key management personnel remuneration	<u>212,067</u>	<u>196,636</u>

10. Net income/(expenditure) for the year**This is stated after charging:**

	2022	2021
	£	£
Auditor's remuneration:		
Audit fees	6,078	3,081

11. Tangible Fixed Assets

	Computer Equipment £	Total £
Cost or valuation		
At 1 April 2021 and 31 March 2022	<u>12,258</u>	<u>12,258</u>
Depreciation		
At 1 April 2021 and 31 March 2022	<u>12,258</u>	<u>12,258</u>
Net book value		
At 1 April 2021 and 31 March 2022	<u>-</u>	<u>-</u>

CEIS AYRSHIRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****12. Debtors**

	2022	2021
	£	£
Trade debtors	76,422	54,197
Other debtors	85,333	110,773
Amounts owed by related undertakings	-	180
	<u>161,755</u>	<u>165,150</u>

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	41,661	1,253
Amounts owed to related undertakings	4,976	-
Other creditors and accruals	24,163	20,711
Deferred income (Note 14)	58,589	20,140
	<u>129,389</u>	<u>42,104</u>

14. Deferred income

	2022	2021
	£	£
Balance as at 1 April 2021	20,140	16,343
Recognised in year	(20,140)	(16,343)
Amount deferred in year	58,589	20,140
Balance as at 31 March 2022	<u>58,589</u>	<u>20,140</u>

Deferred income relates to funding received in advance.

15. Analysis of charitable funds

Analysis of Fund movements to March 2022	Balance b/fwd	Income	Expenditure	Transfers	Fund c/fwd
	£	£	£	£	£
Unrestricted funds					
Running cost contingency	270,000	-	-	(270,000)	-
Redundancy contingency	70,000	-	-	(70,000)	-
General funds	52,639	142,211	143,523	338,651	389,978
Total unrestricted funds	<u>392,639</u>	<u>142,211</u>	<u>143,523</u>	<u>(1,349)</u>	<u>389,978</u>
Restricted funds					
NAC	-	896,393	896,393	-	-
SDS	-	234,500	208,952	-	25,548
ITA	-	69,670	69,670	-	-
Building Brighter Futures Ahead/Tandem	-	8,812	10,161	1,349	-
SCF	-	9,500	9,500	-	-
SCF	-	3,828	-	-	3,828
Business Services (Kickstart)	-	797,795	779,909	-	17,886
LOTS	-	333	-	-	333
Total restricted funds	<u>-</u>	<u>2,020,831</u>	<u>1,974,585</u>	<u>1,349</u>	<u>47,595</u>
TOTAL FUNDS	<u>392,639</u>	<u>2,163,042</u>	<u>2,118,108</u>	<u>-</u>	<u>437,573</u>

CEIS AYRSHIRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****15. Analysis of charitable funds (continued)**

Analysis of Fund movements to March 2021	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Unrestricted funds					
Running cost contingency	-	-	-	270,000	270,000
Redundancy contingency	-	-	-	70,000	70,000
General funds	377,139	18,585	3,085	(340,000)	52,639
Total unrestricted funds	377,139	18,585	3,085	-	392,639
Restricted funds					
NAC	-	453,372	453,372	-	-
SDS	-	180,287	180,287	-	-
ITA	-	73,665	73,665	-	-
SALUS	-	1,773	1,773	-	-
Building Brighter Futures	-	40,217	40,217	-	-
Ahead/Tandem	-	103,485	103,485	-	-
EAC Pipeline	-	30,658	30,658	-	-
SCF	-	15,499	15,499	-	-
LOTS	-	230,808	230,808	-	-
Coronavirus Job Retention Scheme	-	19,211	19,211	-	-
Total restricted funds	-	1,148,975	1,148,975	-	-
TOTAL FUNDS	377,139	1,167,560	1,152,060	-	392,639

a) The unrestricted funds are available to be spent for any of the purposes of the charitable company.

b) Designated funds comprise:

Running cost contingency – this equates to three months running costs.

Redundancy contingency – this is for potential future redundancies in the event that key funding contracts end without an equivalent replacement project that results in workforce reductions.

c) Restricted funds comprise:

NAC – This is a contract with North Ayrshire Council. CEIS Ayrshire was the preferred supplier for two contracts - Case Management and Job Brokerage.

Skills Development Scotland (SDS) – This contract looks to support unemployed clients at Stage 2, 3 & 4 of the strategic skill pipeline with certified training, work experience and employment.

ILA/ITA – This is a service which provides short training courses to clients eligible for funding through SDS Individual Learning/Training Accounts funding. This is paid directly from Scottish Government.

CEIS AYRSHIRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****15. Analysis of charitable funds (continued)**

SALUS – This is a health case management service in order to progress a number of unemployed residents with health barriers into and along the pipeline currently procured through North Ayrshire Council.

Building Brighter Futures – Designed to help school leavers (16-18) transition from school either into work, education or training. The project aims to provide the young people with centre-based support, including Resilience, personal development and employability training and a work experience placement. Based in Dumfries & Galloway.

Ahead/Tandem - An Asset Based Community Development project based across four localities in North Ayr.

EAC Pipeline – This is an engagement and barrier removal service for those further away from the labour market, with training included. This service links into the rest of the East Ayrshire Council Pipeline contracts.

SCF – Income from Supporting Communities Fund was received for the provision of MIFI and tablets to help clients access the internet for training and job searching.

LOTS – This is a contract with North Ayrshire Council. CEIS Ayrshire was the preferred supplier for this merged contract which replaced NAC Keyworker funding noted above.

Business Services (Kickstart) – Funding received to help create jobs for young people at risk of long-term unemployment.

Coronavirus Job Retention Scheme - Funding received as part of the Government's job retention scheme due to Coronavirus.

Transfers – To account for project overspend.

16. Net assets over funds

Net Assets to March 2022	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
Debtors	161,755	-	161,755
Bank & Cash	357,612	47,595	405,207
Creditors	(129,389)	-	(129,389)
	<u>389,978</u>	<u>47,595</u>	<u>437,573</u>
Net Assets to March 2021	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£
Debtors	165,150	-	165,150
Bank & Cash	269,593	-	269,593
Creditors	(42,104)	-	(42,104)
	<u>392,639</u>	<u>-</u>	<u>392,639</u>

CEIS AYRSHIRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****17. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2022	2021
	£	£
Net income for the year (as per the Statement of Financial Activities)	44,934	15,500
Adjustments for:		
Interest from investments	-	(1)
Decrease/(Increase) in debtors	3,395	(23,027)
Increase/(Decrease) in creditors	87,285	(12,334)
Net cash provided by/(used in) operating activities	<u>135,614</u>	<u>(19,862)</u>

18. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	<u>405,207</u>	<u>269,593</u>
Total cash and cash equivalents	<u><u>405,207</u></u>	<u><u>269,593</u></u>

19. Operating lease commitments

At the year end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows;

	2022	2021
	£	£
Under 1 year	912	912
Between 2 and 5 years	684	1,596
	<u>1,596</u>	<u>2,508</u>