

Registered number: SC238030
Charity number: SC033698

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

	J McDougall (resigned 21 September 2023) R King M McGuire E McCutcheon K Nicholson M Shannon (resigned 21 September 2023) Professor Dr C M Moore F Whittaker K G Duffy D Strain (appointed 17 November 2023) A Hughes (appointed 17 November 2023) D Kinnell (appointed 17 November 2023)
Company registered number	SC238030
Charity registered number	SC033698
Registered office	168/170 Main Street Bellshill Lanarkshire ML4 1AE
Company secretary	K Adair (appointed 3 January 2024) R Turner (resigned 3 January 2024)
Chief executive officer	R Turner (resigned 31 March 2024) Kate Clark (appointed 1 April 2024)
Independent auditor	Anderson Anderson & Brown Audit LLP Statutory Auditor 133 Finnieston Street Glasgow G3 8HB
Bankers	Royal Bank of Scotland 62 Hamilton Road Motherwell ML13DA Shawbrook Bank Lutea House Warley Hill Business Park The Drive Brentwood Essex CM13 3BE

ROUTES TO WORK LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report together with the audited financial statements of the Charity for the 1 April 2023 to 31 March 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2019).

Objectives and activities

a. Objectives and aims

The principal activity of the charity is to relieve poverty and unemployment for public benefit through advancing education, providing employment advice and assistance and promoting skills development and training.

b. Significant activities

Routes to Work is an established partner within the North Lanarkshire Partnership, developing and delivering employability services to long term unemployed people, and other economically disadvantaged residents predominantly in North Lanarkshire. Core services are continually evolving, but remain based on providing advice, guidance & information and practical support to enhance employment prospects. This often includes bespoke support to help people overcome specific barriers to engaging and progressing in the labour market.

We are particularly keen to promote services to those who reside within the most multiply deprived areas of North Lanarkshire and to anyone who may be facing other barriers, such as health, homelessness, addictions, experience of the care system, criminal justice engagement and disadvantage due to age, to getting back to work.

Our services are free, confidential and available to residents of North Lanarkshire who are looking to enter or return to work, although we also support clients who are in work but are underemployed and require upskilling/or are in danger of becoming unemployed. Services in 2023/2024 were provided from our 4 central bases and from around 30 outreach centres in the local community each and every week.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

c. Purpose, Mission, Vision & Values

Our purpose, mission & vision were revised in 2021 as part of the 2021/24 strategic business planning process along with our core values which now number 6 and reflect how, in practice, we go about delivering on our ambitions and define how we treat our customers, our partners and each other within the company. With this being the last year of the 2021/2024 strategic business plan, the purpose, mission, vision and values were revised to align with the next strategic business plan covering the period 2024/2027, however for this period, they remained the same:

Purpose:

Our statement of Purpose sets out WHY we do what we do. It reflects our organisational and charitable objects and summarises the difference that we seek to make to the lives of individuals and communities.

"Routes to Work exists to help North Lanarkshire's residents achieve their aims in life by providing sector-leading skills and employability support. In doing so, we contribute to improving the economy of North Lanarkshire, to reducing poverty and to creating a society where everyone has a good quality of life."

Mission:

Our Mission describes WHAT we will do over this business plan period in pursuit of this purpose and the way that we go about this.

"We tailor our support to each individual, helping them recognise and develop their unique capabilities. We support our clients in whatever way they need – skills, information, help to access financial services, health & wellbeing, support networks – to make sure they achieve success in work and life."

Vision:

Our Vision is a statement of WHERE the organisation is going and what we want the future to look like for Routes to Work. We have articulated this in terms of how we would like to be seen by the outside world.

"An organisation that North Lanarkshire can be proud of, valued by local people and businesses, and respected nationally for the scope, quality, and effectiveness of its services, and for continued innovation in skills and employability support."

Core values

- 1. We are passionately COMMITTED TO OUR CLIENTS** – we deliver our own services, and collaborate with others, to do the very best for the people we work with; their interests are always at the forefront of our minds.
- 2. Routes to Work is WELCOMING TO EVERYONE** – our staff make sure that everyone is included, and we ensure that everyone we work with can access our services in a suitable environment and in whatever way suits them best.
- 3. We AIM TO BE THE BEST** – we take a proven, planned, and structured approach to making sure people get the support they need, supported by skilled, caring and committed staff, and by robustly measuring the outcomes that we deliver.
- 4. We are about BUILDING CAPACITY** – we work with people, raising their aspirations and helping them develop the skills and knowledge that will have a lasting impact throughout their lives.
- 5. We achieve more by WORKING TOGETHER** – we work closely with organisations with similar aims, and with the business community, working to develop and deliver services in the most integrated way, maximising the value of our collective efforts.
- 6. We are ALWAYS LEARNING** – whether from each other as colleagues, from clients, or from our partners, and we make sure that we apply that learning to bold new ideas and to improving services (so they are not only different but better) and to sharing this with others who share our aims and values.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievement and Performance

a. Main achievements of the Charity

The year was one of change and transition, with the major ESIF programme coming to an end and the development of new and changing programmes. Services were being delivered in all offices and outreach venues across the locality to meet the changing needs of the client groups; some preferring face to face contact and some preferring other methods, such as telephone or remote means. With a continuing unpredictable labour market, vacancies were high and unemployment rates fluctuated slightly over the year across Scotland between 4% and 4.5% in the period and employment rates remained lower than previously averaging 73.7%. This underlined the pressing issue of a continuance of people taking themselves out of the labour market and becoming economically inactive. This, together with the rising levels of child poverty across the area, called for a more focused approach. We adapted our delivery model to account for these changes, with more emphasis on engagement and progression of clients and this resulted in the following key achievements:

Operational/Delivery

- We provided 3,767 residents of North Lanarkshire with "work of value" support. We have defined this as each individual having a minimum of three successful interventions after initial contact and registration activities. This figure represent an increase of 9% from the previous year and increase of 18% on the last pre-covid year of 2019/20.
- 1,016 clients have progressed into employment across our portfolio of activities which represents a marginal 1% decrease on last year. Our 22-year total has now exceeded 23,000 client supported into work with a 53% conversation rate of all 16,593 clients registered across all our programmes since April 2016.
- The corporate length of contract 26-week job sustainability rate for programmes delivered during the operational year, remains consistent at 75%, with Prospects for Parents and No-One left behind showing marginally better results at 76%.
- We worked with NHS Lanarkshire and North Lanarkshire Council to design and deliver programmes that provide unemployed residents of North Lanarkshire with various opportunities for paid work placements. With NHS Lanarkshire, the NHS Demonstrator 2 program was launched in October 2023, providing opportunities to parents aged 18 and above. This programme encouraged parents to upskill or return to work, aligning with child poverty action plan goals. NHS Lanarkshire had 39 participants in the programme with a further 11 on programme with NLC, spanning roles such as administration, domestic services, catering, portering, and healthcare support. The programme exemplifies effective partnership working, It was our role to prepare individuals by providing essential information sessions and ongoing in work support throughout the placement opportunity. Participants were then enabled to apply for vacancies in NHS Lanarkshire and North Lanarkshire Council, or they could take their new experience and seek a new opportunity, with ongoing support. The programme provided participants with valuable skills and knowledge to help them succeed within their careers and improve their quality of life.
- We delivered school/work/transition programmes in 90% of all North Lanarkshire Schools. This involved the delivery of a range of accredited and non-accredited activities, on a school-by-school basis. Both the skills team and the No-One Left Behind Team were, and continue to be, active in schools, offering Summer & Winter Leaver sessions, for any young person at risk of leaving school to a negative post school destination.
- Routes to Work continues to work collaboratively with Skills Development Scotland, NLC Education, Developing the Young Workforce and virtual schools as part of the Developing the Young Workforce Task Force partnership, of which we are seen as a key member. Schools and the DYW Task Force will continue our improvement journey and remain focused on the actions set out by the Task Force in 2023.

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Achievement and Performance (continued)

- The 'Virtual School' is an intensive service working across primary and secondary schools, highlighting and supporting the educational needs of care experienced children. The Virtual School provides tailored packages of support through a wide range of activities including well-being programmes, literacy and numeracy programmes, outdoor learning, transition supports, volunteering/mentoring opportunities, vocational learning opportunities and direct support for SQA qualifications. The Virtual School has continued to develop vocational opportunities with a wide range of partners that allow for formal and informal learning including the development of the workplace skills. A Virtual Schools Pilot took place in this period using a multi-agency approach to support the young people, which included Routes to Work. We provided intensive one to one support to the young people together with joint planning and regular review meetings and have achieved a 50% success rate for those vulnerable young people engaging with Routes to Work, which exceeds the engagement rate of this group prior to the pilot.

- We launched our Destination Success delivery during the operational year. This programme was secured as part of Routes to Works's Strategic Growth Plan and is funded through Scottish Government's No One Left Behind programme. The pilot programme targets winter leavers in specific high schools who have secured a post-school positive destination but may be at risk of failing to start or sustain. The pilot commenced in November 2023 and has been extended to March 2025. The young people have positively engaged in the pilot, which has resulted in 62 referrals, covering a range of destinations; College; Employment; Training; Volunteering.

Organisational/business development

- We have continued to be seen as the employability organisation of choice supporting North Lanarkshire Council's commitment to maximising the benefits to our communities from procurement activity by ensuring local communities benefit from this. Routes To Work support with helping to boost local employment by identifying local residents for jobs created as well as educational and skills opportunities such as apprenticeships and work experience in a range of roles across the construction sector. We have continued to work closely with a number of employers to deliver on their obligations through our work in this area.

- Following assessment by LGBT Youth Scotland we achieved the LGBT Charter Silver Status. This allows us to send a positive message, with confidence, that our organisation is a champion of LGBT inclusion where LGBTQ+ employees, and service users will be safe, supported and included. The LGBT Charter makes a clear statement that equality and diversity are at the heart of our organisation underpinned by our values. In the year we have delivered more awareness sessions to all staff, celebrated LGBT History month and were a named organisation in Glasgow's Pride March. We will consider working towards the Gold status in the next assessment phase.

- A detailed review of the effectiveness of the hybrid working arrangements that were in place for a trial period of one year from November 2022 to November 2023 was carried out in the period. The review collected data from a range of sources: via survey questionnaires from clients, employees & leadership team; A full productivity analysis of performance against a base year; Labour market information and industry norms. Having analysed the information, a blended working approach was adopted, where each role was categorised to determine its suitability for ongoing flexibility of workplace/ home working. There were changes to many front-facing client delivery roles, to ensure that we were delivering services in the best way possible, whilst still balancing the care and wellbeing of our employees. The outcome was communicated to all staff through a carefully detailed communication strategy and the blended working policy was implemented from 1st April 2024, with full support from the staff teams.

- Our Knowledge Transfer Partnership project with the University of the West of Scotland and Innovate UK faced a challenge in the year with the KTP Associate resigning with 10 months left on the project. This necessitated a pause placed on the KTP project whilst the options were assessed and discussed with all stakeholders. Following the pause, we decided to appoint a 'Finisher' to drive the completion of a revised workplan focused on key objectives for the remainder of the 10 months. We successfully recruited a Finisher and the project now is scheduled for completion in Jan/Feb 2025.

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Achievement and Performance (continued)

- Launched our Wellbeing strategy in the year, which had 4 key aims: Consistency & culture; Resources & tools; Employer of choice and; Fair Work. These key aims represent our ambition to ensure a coherent approach within the charity, with wellbeing embedded across teams, individuals, policies, structures and leadership. We identified 5 inter-related domains of wellbeing which we focused upon within the strategy: Health; Social wellbeing; Lifestyle Wellbeing; Fair work and Financial wellbeing. In each domain, we have an overarching objective and set of actions.

- Secured a new contract in a new Local authority area, West Dunbartonshire Council through a competitive process where we submitted a successful application to their Local Employability Partnership local grant opportunities. As part of Routes to Work's (RTW) growth ambitions within our Impact and Growth strategy, the "Opening Doors" programme was developed to be delivered in West Dunbartonshire through a The project aimed to support 10 unemployed and economically inactive clients. (aged 18 +), providing training and opportunities to secure certification to improve employability skills and clients' prospects of securing and sustaining employment. Provision incorporated group and individual delivery from an approved supplier providing Solution Focused Coaching, aiming to assist clients to recognise and overcome barriers, adjusting mind set, acknowledge mental health challenges, and provide techniques of how to manage these and improve confidence. Feedback from the commissioner was very positive and it has since led to repeat business with this new local authority area in 2024/25.

Financial review

a. Financial position

The year was another period of transition and change for the charity, with the completion of the ESIF funded Pipeline project, which was the cornerstone of activity for many years. This change occurred at the end of Q1, and into Q2, with the onset of the new UKSPF North Lanarkshire's Working S35 project taking over as the mainstream funded programme, supporting the charity's infrastructure and core delivery. It also saw the end of all strands of Young Persons Guarantee funding which had been put in place post-covid to address the challenges and disproportionate affect covid and lockdown had on young people's prospects. In addition, the Community Regeneration Funded Project as it was known, also concluded, having been replaced by UK Shared Prosperity Fund S31. Having said that, the work and the approach did not end. The place-based approach became essential for ensuring that economic inactivity was being assertively challenged.

In the year to 31 March 2024, Routes To Work made many changes to the service delivery portfolio in line with the removal of investment for some programmes, introduction of investment for new programmes and increases in investment for existing programmes where there were priorities to be tackled e.g. young people and child poverty reduction. Despite these changes, revenue from charitable activities increased to £4.05m from the prior year £3.86m. Expenditure remained similar to prior year at £4.01m.

One change that was eventful was in relation to the funding methodology applied to the UKSPF North Lanarkshire's working S35 and UKSPF S31 projects. In these projects, overhead costs are not claimed individually as was the case for the ESIF project. With the UKSPF funded projects, overhead costs are covered by claiming 15% of eligible salary costs in each claim period. This methodology has been established between the UK Government and North Lanarkshire Council. The Council then passes the same arrangement to Routes to Work, the outcome being that the 15% overhead payment exceeds the overhead costs and results in a surplus which flows into unrestricted reserves.

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FOR THE YEAR ENDED 31 MARCH 2024

With the end of Young Persons' Guarantee funding, from Q2 2023/24 onwards, the need to support young people towards their future was still very much prevalent, and in fact increasing & becoming more complex with this client group, therefore, this cohort was taken under the auspices of No one left behind (NOLB) funding, whilst the previous groups supported under NOLB were transitioned into UKSPF North Lanarkshire's Working S35. As a result, NOLB investment increased significantly, with a youth specialist team focusing on 16-24yr olds with multiple and complex barriers, including the bespoke North Lanarkshire Council Education-led Pathways Programme. The youth focused NOLB programme in 2023/24 supported 148 clients into employment which was a significant increase in NOLB performance from 63 clients supported in 2022/23, reflecting the increased resources and different client group.

Quarter 1 of 2023/24 was an exit strategy for ESIF Pipeline Project and eligible clients were either supported into work, transitioned onto another programme or became inactive. In the period, we assisted 208 clients into work. As this large programme included the annual management fee payable by NLC, when it ended, responsibility for the remaining management fee for the year was passed to UKSPF North Lanarkshire's Working S35 and continued to make a valuable contribution to the company's income generation targets.

The Prospects for Parents programme commenced in 2021/22 and was strengthened in 2022/2023. Whilst the focus remained the same, support for unemployed & under employed parents with specific barriers to entering or progressing in the labour market with a view to tackling child poverty, the achievements in prior year and evident impact on creating better lives for families, meant this programme was also subject to greater investment in 2023/2024. Performance improved in 2023/24 across both aspects of the programme with a total of 87 parents (up on 73 prior year) assisted into, or progressed in work. This activity, like other programmes, is delivered on a full cost recovery basis with no contribution generated towards reserves.

Following completion of the UK Community Renewal Fund in 2022/2023, the place based approach was proven to work and reach individuals who had taken themselves out of the labour market and were currently 'economically inactive'. As this was a clear increasing issue, together with the rising child poverty figures, a blended approach was adopted in 2023/24, targeting both economically inactive & parents who were resident in a particular geographical location, where there was employment and income deprivation. In 2023/2024 through investment from UKSPF S31, delivery was in Coatbridge North, then Newmains and latterly a transition into the Motherwell West area. Each area had very different demographics, dynamics and partner-infrastructure and as such performance differed widely. However, the project is predominantly about engagement, and in the period we successfully engaged 102 residents who would definitely not have come into contact with our, or any other employability service.

As part of Routes to Work's growth ambitions within our Impact and Growth strategy, the "Opening Doors" programme was developed to be delivered in West Dunbartonshire through a successful application to their Local Employability Partnership local grant opportunities. The project aimed to support 10 unemployed and economically inactive clients. (aged 18 +), providing training and opportunities to secure certification to improve employability skills and clients' prospects of securing and sustaining employment. Provision also incorporated group and individual delivery from an approved supplier Solution Focused Coach, aiming to assist clients to recognise and overcome barriers, adjusting mind set, acknowledge mental health challenges, and provide techniques of how to manage these and improve confidence. This project saw our first investment in West Dunbartonshire and provided a £7k contribution to management and administration costs.

Our school based programmes proved highly successful with 90% of high schools in North Lanarkshire receiving some aspect of service delivery. This represented an increased range of activities being delivered across a larger number of local high schools alongside our continuing work in support of the Council pathways programme. This work continues to be currently principally delivered at low cost to the schools as part of our contribution to the agenda to reduce the level of negative destinations of school leavers and therefore resulted only in a small contribution of circa £4k to our unrestricted reserves.

Due to the changing labour market and the lasting impacts of the pandemic, where commercial training provision had significant waiting lists of months in some cases, the Tailored Training Solutions programme was unable to repeat the successes of the previous SDS Employability Fund and was therefore wound down as a discrete programme in the early part of 2023/24. It did however create a small surplus of £3,310 that also contributed to our unrestricted reserves.

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FOR THE YEAR ENDED 31 MARCH 2024

We were approached by North Lanarkshire Council with a request to include an additional, fully funded post in our staffing complement, to carry out duties and responsibilities in relation to the collection and presentation of the Scottish Government Shared Measurement Framework datasheet on behalf of all partners funded by North Lanarkshire Council via Scottish Government employability grants. Arrangements were agreed for an initial 12 month period which would be reviewed after that period. This post was recruited and started in November 2023 as the Programme Information Reporting Analyst and the funding is specifically to cover the costs of the post with full cost recovery of the staff costs.

b. Results for the Current Year

The net surplus from operations for the year was £2,881 (2022/23: deficit £125,488). After actuarial adjustment in respect of the Strathclyde Pension Fund, the net movement in funds for the year was a surplus of £53,881 (2022/23: surplus £1,560,512).

The restricted funds surplus in the year was £47,074 (2022/23 deficit £20,406), which led to a reduction in the deficit in restricted funds from £121,186 to £74,112 at the year-end. This deficit is primarily due to timing differences which reverse after the year-end. Unrestricted funds showed a deficit for the year of £44,193 (2022/23 deficit £105,082). Total unrestricted funds at 31st March 2024 were £1,004,413 (2022/23 £1,048,606) of which £100,000 is designated as a future programmes reserve; £28,245 as a designated knowledge transfer partnership reserve; £104,496 as a designated dilapidations reserve; and £50,928 as a strategic growth reserve.

The unrestricted pension fund showed a surplus of £1,753,000 at the year-end (31st March 2023: surplus £1,702,000) due to actuarial remeasurements and similar adjustments.

c. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. There are no known material uncertainties regarding the charity's ability to continue as a going concern.

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d. Reserves policy

The Board of Directors has again reviewed the reserves policy taking cognisance of the entity's increasing size & scale of operations alongside both its contractual and legal relationship with its principal funder, North Lanarkshire Council.

Following review, the revised policy adopted seeks to cater for fluctuations in the income of the company from year to year and strives to achieve a position whereby reserves held on a monthly basis are equivalent to or greater than the ongoing liabilities which would be incurred in the event of a managed run down of the company over a three month period with this including three months non recoverable operating costs, provision for staff redundancy & payment in lieu of notice payments and all premises and other material lease obligations.

Upon review, the Board has decided that it is prudent to continue to make provision for any potentially required match funding for any new projects and/or proof of concept activities that may be necessary to support its strategic growth ambitions and accordingly have retained their commitment to a designated future programmes fund at a value of £100,000.

The company has been delivering a Knowledge Transfer Partnership project in conjunction with the University of the West of Scotland supported by the Department for Business, Energy and Industrial Strategy (BEIS), & Innovate UK, since September 2021. The project allows the company to effectively measure its social value and social return on investment, and use this to showcase and share evidenced good practice in service delivery as a way of developing the company's profile & reputation outwith the traditional delivery area of North Lanarkshire. The company is required to make a contribution to the overall project costs with an initial designated KTP reserve of £90,000 established to ring fence the required financial commitment to this project over a three year period commencing in 2021. The resignation of the original KTP Associate in May 2023, and a pause in the KTP to re-evaluate the next steps meant a reduced amount of £10,904 was released from this fund during 2023/2024, leaving the current value of the designation at £28,245.

In addition, and in recognition of potential liabilities relating to long term premises leases and associated dilapidation costs, the Board established in 2020/21 a new designated "dilapidations" reserve. The value of this was calculated using indicative "per square foot" costs provided through a reputable UK wide dilapidations forum and was updated each year using the Bank of England inflationary index. Having been set at £95,500 in 2022/23, this figure has been further updated using the same methodology and now stands at £104,496.

In light of the growth & development ambitions included in the 2021/24 Strategic business plan and the Knowledge Transfer Partnership project workplan, the company introduced a new senior management post in autumn 2022 to lead on progressing these ambitions. This post required initial investment directly by the company and accordingly a new designated reserve was established in 21/22 to cover the costs of this post for an initial eighteen-month period through to 31st March 2024 at a cost of £90,000. A total of £60,234 was released in this regard in 2023/24 leaving the value of the designation at £4,068, however, due to the ambitions in the 2024/2027 strategic business plan, there is an ongoing requirement for investment in that will seek to identify growth opportunities both within and outwith North Lanarkshire whilst using the company's social value experience and expertise to evidence this. Additionally, as the growth opportunities are within the skills training delivery, an investment is required to ensure we can capitalise on opportunities without impacting on current delivery. These will enable the company to be focused on the ongoing practice of social value as well as identifying impact and growth opportunities, and as a result, a further £46,860 was designated for the posts resulting in a revised designated reserve of £50,928.

The Board continues to adopt a flexible approach to agreeing the level of unrestricted reserves held at any given time to ensure the going concern basis in preparing the financial statements remains appropriate.

The Board is satisfied with this position.

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e. Principal risks and uncertainties

Traditionally, the principal risks to the company revolve around the short term nature of skills & employability funding which legislates against longer term strategic planning; whilst some funding from the UK Government was a multi-year settlement to Local Authorities, this is not translated into multi-year service level agreements, and there is little sign of this changing in the near future.

The end of European Structural & Investment Funds (ESIF) in June 2023, which had been the cornerstone of the company's investment portfolio and underpinned the entire RTW infrastructure since inception, provided a degree of uncertainty which was not realised as it was swiftly replaced by the UK Shared Prosperity Fund, resulting in a similar size and scale of funding and delivery. This funding replaced both European Structural & Investment Funds (ESIF) and its' predecessor Community Renewal Fund and brought with it an ongoing commitment to fund employability and skills support for all unemployed residents of North Lanarkshire, but also targeting the prevalent issue of both underemployment and economic inactivity. The provision of UK Shared Prosperity fund beyond 2025 is not yet clear, however intelligence is that there is likely to be an extension of the funds, whilst the new Labour Government assess their approach to the former Levelling Up funds, of which Shared Prosperity fund is a part.

Scottish Government's No One Left Behind agenda phase 2 continues as planned with this seeing the coming together of local authority and national government funding with the aim of identifying & providing solutions to skills & employability needs at a local level through commissioning of services through Local Employability Partnerships (LEP's). We believe that this move towards localism is a real opportunity for the company to deliver more & better services into the future, both within our traditional North Lanarkshire boundaries but also in connected Local Authority areas as part of our strategic growth ambitions.

The nature of the current candidate driven labour market also brings risks in terms of recruitment & retention of high quality staff required to deliver our services. We experienced a higher than average turnover of staff in 2023/2024 due to the labour market conditions and there being high levels of vacancies and peoples attitudes towards work post-covid

The targets set by Scottish Government for the reduction in child poverty, have not yet produced the desired results across Scotland and are likely to miss the interim targets set for 2023/2024 of 18% with levels at 26% in 2022/2023. The investment in parental employability support as a lever to address child poverty has seen an increase in associated funding and the indications are that this will increase into 2024/2025.

In setting a budget for 2024/2025 the Board has considered the necessary investments that are required to support our ongoing business & organisational development ambitions with sufficient resources to enable growth opportunities to be taken, with minimum impact on other delivery priorities. As a consequence of the continued faith placed by funders in our service delivery, as evidenced through increased revenues again in the coming year, allied to the increasing move towards a localism agenda in the skills & employability environment in Scotland, the Trustees continue to believe that the reputation the company has developed for excellence in service provision within North Lanarkshire will continue to be recognised locally and more widely as we progress our strategic growth ambitions.

In summary therefore, and after making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management

a. Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

In the event of the charity being wound up, the liability of the member is limited to £1 each.

A change was made to the Articles of Association regarding the number of Directors on the Board. The change was made to Article 60, and specifically Article 60.2 where the number of Directors was increased from 10 to 12, with the addition of 2 Category B Directors. This change was brought about by increasing demands placed upon the largely professional board in their own lives and careers, and to ensure that all governance related sub groups and Board meetings could function effectively. The change was approved by North Lanarkshire Council at their Enterprise and Fair Work committee on 17th November 2023.

b. Methods of appointment or election of Trustees

The directors of the company are also the charity trustees for the purposes of charity law. The processes and procedures to be followed in relation to the appointment of new directors are detailed in the Articles of Association. The minimum number of directors is five with the maximum number being twelve from 17th November 2023, of whom a maximum of two can be appointed by the member (North Lanarkshire Council) and a maximum of ten can be appointed by the member (following recommendation by the Board Appointments Committee) on the basis that they are representative of the community within the operating area and / or they have specialist skills or expertise which would be of assistance to the Board.

In the period, there were two resignations from long standing board members, one of whom was the Chair. As there was also a vacancy on the board at that time, it necessitated a recruitment campaign which resulted in 3 new Category B Directors joining the Board in November 2023.

c. Organisational structure and decision-making policies

The Board of Trustees administers the charity. They meet regularly (minimum of four times a year) to oversee the day to day operations of the charity and are responsible for setting the strategic direction and determining the policy of the charity. There are three formal subgroups of trustees who meet regularly to focus on HR, Financial and Governance aspects of the charity's work, who report progress on policy and practice on these areas to the full Board.

d. Membership

From 9 March 2015, the sole member of the charity is North Lanarkshire Council. Any eligible body that wishes to become a member must lodge a written application which must be signed by an authorised officer and will automatically become a member of the charity with effect from the date on which the application was received by the charity.

ROUTES TO WORK LIMITED

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

A detailed induction programme is in place and is delivered to all new trustees on appointment. This consists of contextual input sessions delivered by the Chief Executive outlining the work of the charity, the environmental and policy context in which the services are delivered and the legal roles and responsibilities of trustees / directors under both charity and company law. This induction programme is supplemented with the issue of a Directors' Governance Handbook which contains detailed information on (but not limited to) the company's aims and objectives, personnel, expectations of directors, terms of reference for formal sub groups, previous Board papers, Articles of Association, strategic and developmental reports (Business and Operational Plans, Investors in People reports etc.), previous audited accounts and relevant and up to date OSCR guidance for charity trustees.

f. Key management personnel

The key management personnel of the charity comprises of the trustees, the Chief Executive, the Depute Chief Executive, the Finance Manager/ Company Secretary and the Head of Operations. The Head of Operations post has been added this year to the key management personnel. Therefore, for 2023/24, the total employee benefits of the key management personnel were £322,865 (2022/23: £247,694).

g. Pay policy for senior staff

The Directors consider the Board of Directors, who are the charity trustees, and the senior management team comprise the key personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All directors/trustees give of their time freely and no director received any remuneration nor expenses during the year.

The pay of senior staff is traditionally reviewed annually in conjunction with that of all staff and through an agreed mechanism. A standard matrix is used to determine the proposed level of increase which considers four elements of national inflationary pressures (RPI, CPI, ONS salary increase and COSLA wage agreements for Local Authorities) and is weighted in line with the related party's interest to identify an average increase value. The Board is committed to negotiating with the principal funder (North Lanarkshire Council) to ensure that an uprating equivalent to that paid to Local Authority staff is included in annual service level agreements and that this forms the base value of any annual increase. Anything paid above this rate (in line with the value identified through the mechanism outlined) is discretionary with payment made subject to affordability considerations and funded through annual surpluses achieved and/or unrestricted reserves held. Senior staff pay increases are therefore normally considered and applied consistently with those of all staff within the charity.

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods

2023/2024 operational year was the end of the current 2021-2024 strategic business plan that had been in place for the preceding 3 years. Annual operation plans were created for each of the years and the plan for 2023/2024 was thoroughly reviewed and reported on to the board, noting progress made and any areas that were ongoing.

Following a competitive tender exercise, RTW appointed a consultant to begin working with the Board and Senior Management Team on the development of the 2024-2027 strategic business plan. The inception meeting took place on 26th September 2023 with a timeline to have the new plan completed in advance of the start of 2024-2025 operational year. The process through which the plan was developed incorporated stakeholder review sessions which enabled us to take account of the views of key investors, partners & other stakeholders and to understand their ambitions for the future and the role they see RTW potentially playing in supporting achievement of such. Key elements of this new strategic plan include:

- A revised Purpose, Mission & Vision which reflects the growth ambitions of the company over the next 3 years, the priorities to be tackled and the position the company want to be in at the end of the period. The organisational values were not revised, all parties believing them to be still highly relevant and fit for purpose.
- Our strategic direction over the 3-year period of the 2024-2027 strategic business plan will be to incrementally grow our services, continuing to focus on our existing core business, whilst recognising that there are other areas of activity where we can make a greater contribution within North Lanarkshire and that we have knowledge and capabilities that are also of value elsewhere.

The key elements of our strategic direction are:

- Provision of a mix of services that recognise the different needs of our clients.
- Continued focus on intervening with specific groups, including young people and families.
- Further enhancement of our focus on thematic areas such as housing, health and justice.
- An emphasis on the adoption of highly targeted, place-based approaches to engage with people that have hitherto been harder to reach.
- Embedding a focus on social value within the organisation

North Lanarkshire will remain our core focus of operation over the period of the business plan but we will continue to develop our presence in other geographical areas where our research suggests that this is appropriate. Our approach will be based on the key principles that:

- We work in additional geographical areas only where we believe that we have a distinctive capability that is not otherwise available to the Local Employability Partnership there;
- That any such activities do not impact negatively on our core "business" in North Lanarkshire; and that any work taken on is, at a minimum, financially neutral to Routes to Work.
- We believe that by exposing the organisation and our team to new challenges, we will further enhance our own capabilities as an organisation and thus our ability to deliver high quality, impactful services within North Lanarkshire and elsewhere.

In pursuing this strategic direction, we will focus internally on a range of key success factors that include:

- Effective succession and having a senior management team that is appropriate for our future needs.
- Recruiting and retaining a staff team that allow us to maintain and enhance the quality and effectiveness of our work. Investing in the personal and professional development of our people.
- Delivery of a blended working model that recognises our clients' demand for personal, face-to-face service provision.
- Enhancement of our horizon scanning and intelligence gathering, working with our partners in Local Employability Partnerships.
- Maintaining and developing our physical presence within our target communities in North Lanarkshire.
- Being open to new and innovative approaches to service delivery including adoption of new technologies to support service delivery.
- Enhancing our capabilities in gathering information on outcomes.
- Continuing to enhance our marketing activities.

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods (continued)

- Maintaining a strong focus on working collaboratively at a local level.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Anderson Anderson & Brown Audit LLP, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at the 2024 Annual General Meeting.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
R King

Date: 19 September 2024

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROUTES TO WORK LIMITED

Opinion

We have audited the financial statements of Routes to Work Limited (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its 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 requirements of 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 United Kingdom, including the Financial Reporting Council'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.

ROUTES TO WORK LIMITED

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROUTES TO WORK LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 and for being satisfied that they 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 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROUTES TO WORK LIMITED
(CONTINUED)

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 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the Trustee's.

Based on our understanding of the Charity, discussions with management and trustees we identified financial reporting standards and Charity SORP if as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Charity's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Charity's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review, where applicable, of the Board of Trustees' minutes;
- enquiry of management, about litigations and claims and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgements and estimates, including the carrying value of accruals, recoverability of trade debtors, pension assumptions and income recognition;
- appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business considering management override of controls outside of the normal operating cycles.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

ROUTES TO WORK LIMITED

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROUTES TO WORK LIMITED (CONTINUED)

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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 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. 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, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.



Natalie Boyle (Senior Statutory Auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Statutory Auditor

133 Finnieston Street

Glasgow

G3 8HB

Date: 23 September 2024

Anderson Anderson & Brown Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Unrestricted Pension fund 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:						
Charitable activities	3	336,436	3,714,167	-	4,050,603	3,859,882
Other Income		13,984	-	-	13,984	10,656
Investments	4	12,046	-	-	12,046	4,063
Total income and endowments		<u>362,466</u>	<u>3,714,167</u>	<u>-</u>	<u>4,076,633</u>	<u>3,874,601</u>
Expenditure on:						
Charitable activities	5	400,883	3,672,869	(66,000)	4,007,752	4,170,089
Total expenditure		<u>400,883</u>	<u>3,672,869</u>	<u>(66,000)</u>	<u>4,007,752</u>	<u>4,170,089</u>
Net income/ (expenditure)		<u>(38,417)</u>	<u>41,298</u>	<u>66,000</u>	<u>68,881</u>	<u>(295,488)</u>
Actuarial gains/(losses)	14	-	-	(15,000)	(15,000)	1,856,000
Fund transfers	14	(5,776)	5,776	-	-	-
Total movements		<u>(5,776)</u>	<u>5,776</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>1,856,000</u>
Net movement in funds		<u>(44,193)</u>	<u>47,074</u>	<u>51,000</u>	<u>53,881</u>	<u>1,560,512</u>
Reconciliation of funds:						
Total funds brought forward		1,048,606	(121,186)	1,702,000	2,629,420	1,068,908
Net movement in funds		(44,193)	47,074	51,000	53,881	1,560,512
Total funds carried forward	14	<u>1,004,413</u>	<u>(74,112)</u>	<u>1,753,000</u>	<u>2,683,301</u>	<u>2,629,420</u>

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

All income and expenditure has arisen from continuing activities.

The notes on pages 23 to 47 form part of these financial statements.

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC238030

BALANCE SHEET
AS AT 31 MARCH 2024

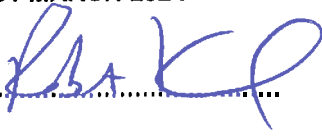
	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	-	560
		<u>-</u>	<u>560</u>
Current assets			
Debtors	11	1,341,302	675,108
Investments	12	85,000	85,000
Cash at bank and in hand		511,200	422,976
		<u>1,937,502</u>	<u>1,183,084</u>
Creditors: amounts falling due within one year	13	(1,007,201)	(256,224)
Net current assets		<u>930,301</u>	<u>926,860</u>
Total assets less current liabilities		<u>930,301</u>	<u>927,420</u>
Defined benefit pension scheme asset	19	1,753,000	1,702,000
Total net assets		<u><u>2,683,301</u></u>	<u><u>2,629,420</u></u>
Charity funds			
Unrestricted Pension fund	14	1,753,000	1,702,000
Restricted funds	14	(74,112)	(121,186)
Unrestricted funds			
Designated future programmes reserve	14	100,000	100,000
Designated knowledge transfer partnership	14	28,245	39,149
Designated dilapidations reserve	14	104,496	95,500
Designated strategic growth reserve	14	50,928	64,302
General fund	14	720,744	749,655
Total unrestricted funds	14	<u>1,004,413</u>	<u>1,048,606</u>
Total funds		<u><u>2,683,301</u></u>	<u><u>2,629,420</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

.....
R King

Date: 19 September 2024

The notes on pages 23 to 47 form part of these financial statements.

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	16	76,178	(366,780)
Cash flows from investing activities			
Dividends, interests and rents from investments	4	12,046	4,063
Net cash provided by investing activities		12,046	4,063
Change in cash and cash equivalents in the year		88,224	(362,717)
Cash and cash equivalents at the beginning of the year		422,976	785,693
Cash and cash equivalents at the end of the year	17	511,200	422,976

The notes on pages 23 to 47 form part of these financial statements

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. General information

The charity is a company limited by guarantee, incorporated and registered in Scotland, under company number SC238030, and has no share capital. The liability of each member in the event of winding up is limited to £1.

The charity's registered number is SC033698.

The registered office is 168/170 Main Street, Bellshill, Lanarkshire, ML4 1AE.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in Sterling (£).

2.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. There are no known material uncertainties regarding the charity's ability to continue as a going concern.

2.3 Judgements

The company considers on an annual basis the judgements that are made by management when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements. In preparing these financial statements, the directors have made the following judgement:-

Significant estimations have been applied to the defined benefit pension assumptions. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rates and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 19).

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.4 Information and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimated 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.

The company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.5 Income

All income is recognised in the Statement of Financial Activities 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.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, are 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.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.7 Interest receivable

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 institution with whom the funds are deposited.

2.8 Taxation

The charity is exempt from corporation tax on its charitable activities.

ROUTES TO WORK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. However, for assets acquired for use in the Pipeline project, all initial capital expenditure was required to be capitalised and depreciated over 3 years, regardless of the level of the expenditure. The project has now ceased, and all capitalised fixed assets were disposed of during the year.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 33% straight line
--------------------	---------------------

2.10 Debtors

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

2.11 Cash at bank and in hand

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

2.12 Creditors

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Financial instruments

The Charity only has 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.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.15 Pensions

The charity participates in the Strathclyde Pension Fund ("the Fund"). The Fund is a multi-employer defined benefit scheme. The Fund is funded and is contracted out of the state scheme.

Pension assets and liabilities have been recorded in line with FRS 102, based on a valuation by the scheme actuary. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the Statement of Financial Activities and the expected return on scheme assets and the interest cost on scheme liabilities are allocated across the appropriate incoming/outgoing resource categories. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised in the Statement of Financial Activities within actuarial gains/losses on defined benefit schemes. The resulting pension liability or asset is shown on the balance sheet.

North Lanarkshire Council has guaranteed to accept liability for any unfunded costs that may arise with regard to the Company's membership of the Strathclyde Pension Fund as detailed in note 20.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted pension fund represents the asset or liability of the charity's share of the Strathclyde Pension Fund.

Investment income, gains and losses are allocated to the appropriate fund.

2.17 Current Asset Investments

Current asset investments consist of fixed rate deposit accounts held with a bank with a maturity of more than three months but less than one year from the date of acquisition or opening of the deposit or similar account.

Current asset investments are measured at their settlement value as at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

3. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Grants	-	3,714,167	3,714,167	3,675,052
SLA Management fee	310,452	-	310,452	93,117
Project management fees	25,984	-	25,984	91,713
	<u>336,436</u>	<u>3,714,167</u>	<u>4,050,603</u>	<u>3,859,882</u>

Grants received, included in the above, are as follows:

	2024 £	2023 £
Pipeline	677,584	2,473,008
No One Left Behind	385,094	168,075
Prospect for Parents	250,083	167,780
Young Person's Guarantee - Enhances Caseworker	112,297	387,437
Young Person's Guarantee - Employability Pipeline	-	621
Young Person's Guarantee - Transitional Training	-	13,554
PACE+	-	29
Community Renewal Fund	-	323,406
Tailored Training Solutions	28,575	54,020
UK Shared Prosperity Fund S31	402,377	87,122
UK Shared Prosperity Fund S35	1,799,698	-
Destination Success Pilot	16,706	-
Programme Information Reporting	18,048	-
West Dunbartonshire Development	23,230	-
Baird Watson Charitable Trust	475	-
	<u>3,714,167</u>	<u>3,675,052</u>

4. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Deposit account interest	<u>12,046</u>	<u>12,046</u>	<u>4,063</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Charitable Expenditure	3,996,292	11,460	4,007,752	4,170,089

Analysis of direct costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	3,050,344	3,093,398
Depreciation	561	4,005
Rent, rates & water	146,224	145,138
Insurance	12,388	7,155
Light & heat	29,275	25,833
Telephone	34,250	39,416
Postage & stationery	21,097	25,836
Travel expenses	7,318	5,304
Other staff costs	40,382	43,387
Employment initiatives	370,368	455,475
Repairs & Maintenance	17,457	16,146
Cleaning and hygiene	39,425	41,677
IT support and internet	132,104	66,148
Membership fees	4,251	6,010
Consultancy fees	88,666	82,596
Pension finance charge	(81,000)	2,000
Marketing	35,679	31,796
Hospitality	20,732	8,985
Employer contributions	-	27,055
Bank charges	1,311	1,515
Service charges	22,220	26,850
IIP	3,240	3,240
	<u>3,996,292</u>	<u>4,158,965</u>

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Charitable expenditure	11,460	11,124

Support costs, included in the above, are as follows

Governance costs	2024 £	2023 £
Auditors' Remuneration	10,260	9,624
Auditors' Remuneration for non audit work	1,200	1,500
	<u>11,460</u>	<u>11,124</u>

6. Net Income / (Expenditure

Net income/ (expenditure) is stated after charging / (crediting):

	2024 £	2023 £
Auditors' Remuneration	10,260	9,624
Auditors' Remuneration for non audit work	1,200	1,500
Depreciation - owned assets	<u>561</u>	<u>4,005</u>

7. Staff costs

	2024 £	2023 £
Wages and salaries	2,564,898	2,474,777
Social security costs	250,441	237,525
Pension costs	235,005	381,096
	<u>3,050,344</u>	<u>3,093,398</u>

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2024 No.	2023 No.
Management	18	18
Delivery Staff	49	48
Business Support & Finance	13	15
	<u>80</u>	<u>81</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1

The key management personnel of the charity comprises of the trustees, the Chief Executive, the Deputy Chief Executive, the Finance Manager/ Company Secretary and the Head of Operations. The Head of Operations post has been added this year to the key management personnel. The total employee benefits of the key management personnel were £322,865 (2023: £247,694).

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023: £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023: £NIL).

ROUTES TO WORK LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

9. Comparatives for the Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Unrestricted Pension Fund £	Total Funds £
Income and endowments from:				
Charitable income	141,713	3,718,169	-	3,859,882
Investment income	10,656	-	-	10,656
Other income	4,063	-	-	4,063
	<u>156,432</u>	<u>3,718,169</u>	<u>-</u>	<u>3,874,601</u>
Total Income				
Expenditure on:				
Charitable expenditure	<u>284,917</u>	<u>3,715,172</u>	<u>170,000</u>	<u>4,170,089</u>
	<u>284,917</u>	<u>3,715,172</u>	<u>170,000</u>	<u>4,170,089</u>
Total Expenditure				
Net income/ (expenditure)	(128,485)	2,997	(170,000)	(295,488)
Transfers between funds	23,403	(23,403)	-	-
Actuarial gains on defined benefit schemes	-	-	1,856,000	1,856,000
Net movement in funds	<u>(105,082)</u>	<u>(20,406)</u>	<u>1,686,000</u>	<u>1,560,512</u>
Reconciliation of funds:				
Total funds brought forward	1,153,688	(100,780)	16,000	1,068,908
Net movement in funds	(105,082)	(20,406)	1,686,000	1,560,512
Total funds carried forward	<u><u>1,048,606</u></u>	<u><u>(121,186)</u></u>	<u><u>1,702,000</u></u>	<u><u>2,629,420</u></u>

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 April 2023	66,494
Disposals	(53,160)
At 31 March 2024	<u>13,334</u>
Depreciation	
At 1 April 2023	65,934
Charge for the year	560
On disposals	(53,160)
At 31 March 2024	<u>13,334</u>
Net book value	
At 31 March 2024	<u>-</u>
At 31 March 2023	<u>560</u>

11. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	756,046	115,662
Other debtors	8,216	11,131
Prepayments and accrued income	577,040	548,315
	<u>1,341,302</u>	<u>675,108</u>

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NOTES TO THE FINANCIAL STATEMENTS
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12. Current asset investments

	2024 £	2023 £
Fixed interest deposit account	85,000	85,000

13. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	55,097	67,813
Other taxation and social security	96,935	81,578
Other creditors	763,040	3,851
Accruals and deferred income	92,129	102,982
	<u>1,007,201</u>	<u>256,224</u>

Deferred income in the year totalling £1,393. (2023: £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
Designated funds					
Dilapidations reserve	95,500	-	-	8,996	104,496
Future programmes	100,000	-	-	-	100,000
Knowledge transfer partnership	39,149	-	(10,904)	-	28,245
Strategic growth fund	64,302	-	(60,234)	46,860	50,928
General funds					
General Fund	749,655	362,466	(329,745)	(61,632)	720,744
Total Unrestricted funds	1,048,606	362,466	(400,883)	(5,776)	1,004,413
Unrestricted Pension Fund					
Unrestricted Pension fund	1,702,000	-	66,000	(15,000)	1,753,000
Restricted funds					
Pipeline	(81,183)	677,584	(607,967)	11,566	-
No One Left Behind	(5,317)	385,094	(391,527)	-	(11,750)
Prospect for Parents	(9,078)	250,083	(252,070)	-	(11,065)
Young Person's Guarantee - Enhanced Caseworker	(17,343)	112,297	(99,349)	4,395	-
Tailored Training Solutions	(952)	28,575	(24,313)	(3,310)	-
UK Shared Prosperity Fund S31	(7,313)	402,377	(403,851)	-	(8,787)
UK Shared Prosperity Fund S35	-	1,799,698	(1,848,398)	-	(48,700)
Destination Success Pilot	-	16,706	(17,012)	-	(306)
Programme Information Reporting	-	18,048	(18,598)	-	(550)
West Dunbartonshire Development	-	23,230	(9,381)	(6,875)	6,974
Baird Watson Charitable Trust	-	475	(403)	-	72
	(121,186)	3,714,167	(3,672,869)	5,776	(74,112)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Total of funds	2,629,420	4,076,633	(4,007,752)	(15,000)	2,683,301

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Dilapidations reserve	88,000	-	-	7,500	95,500
Future programmes	100,000	-	-	-	100,000
Knowledge transfer partnership	72,380	-	(33,231)	-	39,149
Strategic growth fund	90,000	-	(25,698)	-	64,302
General funds					
General Fund	803,308	156,432	(225,988)	15,903	749,655
Total Unrestricted funds	1,153,688	156,432	(284,917)	23,403	1,048,606
Unrestricted Pension Fund					
Unrestricted Pension fund	16,000	-	(170,000)	1,856,000	1,702,000
Restricted funds					
Pipeline	(64,020)	2,473,009	(2,490,172)	-	(81,183)
No One Left Behind	(5,266)	168,075	(168,126)	-	(5,317)
Prospect for Parents	(8,214)	167,780	(168,644)	-	(9,078)
Young Person's Guarantee - Enhanced Caseworker	(9,294)	387,437	(395,486)	-	(17,343)
Young Person's Guarantee - Employability Pipeline	700	621	778	(2,099)	-
Young Person's Guarantee - Transitional Training	(13,269)	13,554	(1,069)	784	-
PACE +	68	29	(87)	(10)	-
Community Renewal Fund	(1,485)	360,917	(337,354)	(22,078)	-
Tailored Training Solutions	-	59,626	(60,578)	-	(952)
UK Shared Prosperity Fund S31	-	87,121	(94,434)	-	(7,313)
	(100,780)	3,718,169	(3,715,172)	(23,403)	(121,186)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Total of funds	<u>1,068,908</u>	<u>3,874,601</u>	<u>(4,170,089)</u>	<u>1,856,000</u>	<u>2,629,420</u>

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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14. Statement of funds (continued)

RESTRICTED FUNDS

Pipeline - Services delivered on behalf of North Lanarkshire Council to provide Employability Services in North Lanarkshire via the European Structural Fund up to the 30th June 2023. These services were delivered on a full cost recovery basis, with recovery made upon the payment of the relevant costs. Due to the cessation of the programme the fund is a nil balance as at 31st March 2024.

No One Left Behind - Services delivered on behalf of North Lanarkshire Council via the Scottish Government's No One Left Behind policy to provide caseworker services which aim to assist individuals into a positive destination with a view to support sustainment through to 6 months. These services are provided on a full cost recovery basis, with recovery made upon the payment of the relevant costs. The fund deficit on the No One Left Behind project as at 31st March 2024 is the result of timing differences which will reverse post year end.

Prospects for Parents - This is a programme funded by North Lanarkshire Council under their Working for Families Fund via the Scottish Government's Tackling Poverty Strategy. It is designed to support participants where families are in or are at risk of poverty, to access or progress in work through the provision of caseworker support, and in work support service, financial inclusion advice and a combination of employer interface and business support services provided by North Lanarkshire Council colleagues. These services are provided on a full cost recovery basis, with recovery made upon the payment of the relevant costs. The fund deficit as at 31st March 2024 is the result of timing differences which will reverse post year end.

Young Person's Guarantee Projects - Services delivered on behalf of North Lanarkshire Council to provide caseworker and support services for the programmes which aim to assist in the development and delivery of employability related programmes for young adults. These services were provided on a full cost recovery basis, with recovery made upon the payment of the relevant costs. The final project ceased on 30th June 2023. Due to the cessation of the programmes the funds are a nil balance as at 31st March 2024.

PACE+ - Services delivered on behalf of North Lanarkshire Council to support the delivery of the Scottish Government's PACE model for people who are faced with redundancy situations to the 31st March 2023. We ensured that we establish localised resources, providing support to those at risk of redundancy, or having been made redundant with the focus on small, local businesses. These services were provided on a full cost recovery basis, with recovery made upon payment of the relevant costs. Due to the cessation of the programme the fund is a nil balance as at 31st March 2023 and no activity happened in the year, as planned.

Community Renewal Fund - This programme was funded by North Lanarkshire Council via the UK Government as a pilot, until 31st December 2022, intended to help places across the UK prepare for the introduction of the UK Shared Prosperity Fund. Our programme was centred around providing an assertive outreach service designed to engage those furthest from the job market in the Airdrie Central ward of North Lanarkshire in an attempt to assist & encourage them to re engage with labour market activities; this in partnership with the Airdrie Citizen's Advice Bureau. These services were delivered on a full cost recovery basis except for administration overheads which were funded as 15% of direct staff costs. Due to the cessation of the programme the fund is a nil balance as at 31st March 2023 and no activity happened in the year, as planned.

Tailored Training Solutions - This programme is funded as part of North Lanarkshire Council's Local Employability Partnership Grant programme via funding received from Scottish Government. Our programme offered a bespoke individual training plan and is customised provision that led to industry related certification and/or qualification for participants up until 30th June 2023. These services were delivered on a full cost recovery basis with the exception of management and administration costs which were funded as 15% of direct staff costs. Due to the cessation of the programme the fund is a nil balance as at 31st March 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Statement of funds (continued)

UK Shared Prosperity Fund S31 - This programme is funded by North Lanarkshire Council via the UK Government's Shared Prosperity Fund as part of the Glasgow City Region's Investment Plan. Our programme is building on the success of the pilot Community Renewal Fund and is centred around providing an assertive outreach service designed to engage economically inactive individuals, in particular targeting parents, and is delivered in the most disadvantaged communities of North Lanarkshire. These services are delivered on a full cost recovery basis except for administration overheads which are funded as 15% of direct staff costs. The deficit on the fund as at 31st March 2024 is the result of timing differences which will reverse post year end.

UK Shared Prosperity Fund S35 - This programme is funded by North Lanarkshire Council via the UK Government's Shared Prosperity Fund as part of the Glasgow City Region's Investment Plan. Our programme provides Employability Services in North Lanarkshire to economically inactive and unemployed individuals which aims to support progression into employment, with a view to supporting sustainment to 6 months. These services are delivered on a full cost recovery basis except for administration overheads which are funded as 15% of direct staff costs. The deficit on the fund as at 31st March 2024 is the result of timing differences which will reverse post year end.

Destination Success Pilot - Services delivered on behalf of North Lanarkshire Council via the Scottish Government's No One Left Behind policy to provide Positive Destination support services which aim to assist individuals into a positive destination with a view to support sustainment through to 6 months. These services were provided to 5 schools in the pilot across Coatbridge and Airdrie on a full cost recovery basis, with recovery made upon the payment of the relevant costs. The deficit on the fund as at 31st March 2024 is the result of timing differences which will reverse post year end.

Programme Information Reporting - Services delivered on behalf of North Lanarkshire Council via the Scottish Government's No One Left Behind (NOLB) policy to manage the reporting of the NOLB Shared Measurement Framework on behalf of the Local Employability Partnership. This was provided on a full cost recovery basis. The deficit on the fund as at 31st March 2024 is the result of timing differences which will reverse post year end.

West Dunbartonshire Development - Services delivered on behalf of West Dunbartonshire Council for the provision of employability support and skills training. The project was successful and met the requirements however we were able to do this at a reduced cost. Therefore, the surplus on the fund as at 31st March 2024 will be reinvested in future projects within the area.

BairdWatson Charitable Trust - funding to support young people living in the Airdrie area available via a grant offered as part of the legacy of a local businessman. The monies were to be used for work relating to training for employment, employment support and vocational skills. Routes to Work Limited, as part of the Developing the Young Workforce taskforce, administered the funding providing access to any young person living in Airdrie identified as having a particular need that was not met via other funding options.

UNRESTRICTED FUNDS

General fund

In the year, the Board reviewed the general reserves position of the charity which exists to cater the fluctuations in the income of Routes to Work Limited from year to year. They have considered that the current levels are sufficient even though it is anticipated that, due to continued expansion, the potential liabilities for staff related obligations will grow substantially over the coming years.

Designated future programmes reserve

The Board has decided that it is prudent to continue to make provision for any potentially required match funding for any new projects and/or proof of concept activities that may be necessary to support its strategic growth ambitions and accordingly have retained their commitment to a designated future programmes fund at the previous value of £100,000 as at 31st March 2024.

ROUTES TO WORK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. Statement of funds (continued)

Designated knowledge transfer partnership reserve

In conjunction with the University of the West of Scotland, Routes to Work Limited is endeavouring to complete a management Knowledge Transfer Partnership project with the aim of allowing, amongst other things, the company to effectively measure its social value and use this to showcase and share evidenced good practice in service delivery as a way of developing the company's profile & reputation outwith our traditional delivery area of North Lanarkshire. This reserve was initially set at £90,000 in 2021/22 and has been reducing during the ensuing period to its current value of £28,245 as at 31st March 2024.

Designated dilapidations reserve

In recognition of potential liabilities relating to long term premises leases and associated dilapidation costs, in 2020/21 the Board of Trustees established a new designated "dilapidations" reserve. The value of this was previously calculated using indicative "per square foot" costs provided through a reputable UK wide dilapidations forum and is updated annually using the Bank of England inflationary index and now stands at £104,496 as at 31st March 2024.

Designated strategic growth reserve

In light of the continued growth & development ambitions included in the 2024/27 Strategic business plan and the Knowledge Transfer Partnership project workplan, the company continued to invest in resources to enable us to take advantage of opportunities presented to us via local and national commissioning and grant-funded prospects without any impact to service delivery. The value of this reserve as at 31st March 2024 is £50,928.

Unrestricted pension fund

The pension fund reserve represents the defined benefit pension asset or liability of the charity's share of the Strathclyde Pension Fund as detailed in note 19. North Lanarkshire Council has provided a guarantee in respect of Routes to Work Limited's participation in the Strathclyde Pension Fund, as detailed in note 20. The transfers in and out relate to actuarial adjustments in the year.

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Unrestricted Pension fund 2024 £	Total funds 2024 £
Current assets	42,471	1,895,031	-	1,937,502
Creditors due within one year	961,942	(1,969,143)	-	(1,007,201)
Defined benefit pension asset	-	-	1,753,000	1,753,000
Total	1,004,413	(74,112)	1,753,000	2,683,301

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Unrestricted Pension fund 2023 £	Total funds 2023 £
Tangible fixed assets	-	560	-	560
Current assets	1,146,223	36,861	-	1,183,084
Creditors due within one year	(97,617)	(158,607)	-	(256,224)
Defined benefit pension asset	-	-	1,702,000	1,702,000
Total	1,048,606	(121,186)	1,702,000	2,629,420

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	68,881	(295,488)
Adjustments for:		
Depreciation charges	560	4,006
Dividends, interests and rents from investments	(12,046)	(4,063)
Increase in debtors	(666,194)	(125,529)
Increase/(decrease) in creditors	750,977	(115,706)
Difference between pension charge and cash contributions	(66,000)	170,000
Net cash provided by/(used in) operating activities	76,178	(366,780)

17. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	511,200	422,976
Total cash and cash equivalents	511,200	422,976

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

18. Analysis of changes in net debt

	At 1 April 2023	Cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	422,976	88,224	511,200
Liquid investments	85,000	-	85,000
	<u>507,976</u>	<u>88,224</u>	<u>596,200</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. Employee Benefit Obligations

The company participates in the Strathclyde Pension Fund (the Fund) which is a multi-employer defined benefit scheme and has its assets held in separate trustee administered funds.

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The last triennial valuation was carried out at 31 March 2023. The principal assumptions used were as follows:-

Valuation date	31 March 2023
Valuation method	Projected unit £27,872 million
Market value of assets	
Actuarial assumptions:	
Discount rate	5.0%
Salary increase rate	3.4%
Price inflation	2.7%

The principal assumptions applied to the Routes to Work pension scheme fund are as follows:

Demographic assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI2022 model with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectations at age 65 are as follows:

	Male	Female
Current Pensioners	20.3	22.2
Future Pensioners*	22.1	23.7

* Figures assume members aged 45 as at the last formal valuation date.

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Financial assumptions

Principal actuarial assumptions as at the Balance Sheet date (expressed as weighted averages):

	2024	2023
Discount rate	4.85%	4.75%
Future salary increases	3.45%	3.65%
Future pension increases	2.75%	2.95%

These principal actuarial assumptions have been agreed by the Board of Trustees.

Employee Benefit obligations (continued)

The amounts recognised in the Balance Sheet are as follows:

	2024	2023
	£	£
Present value of funded obligations	(3,888,000)	(3,305,000)
Fair value of plan assets	5,641,000	5,007,000
Pension scheme asset/(deficit)	<u>1,753,000</u>	<u>1,702,000</u>

North Lanarkshire has guaranteed to accept liability for any unfunded costs, detailed above, that may arise with regard to the company's membership of the Strathclyde pension fund, as detailed in note 20.

The amounts recognised in the Statement of Financial Activities are as follows:

	2024	2023
	£	£
Current Service cost	155,000	303,000
Net interest from net defined benefit asset / liability	(81,000)	2,000
	<u>74,000</u>	<u>305,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Employee Benefit obligations (continued)

Changes in the present value of the defined benefit obligations are as follows:

	2024 £	2023 £
Opening defined benefit obligation	3,305,000	4,934,000
Current Service cost	155,000	303,000
Contributions by scheme participants	46,000	46,000
Interest cost	160,000	140,000
Actuarial losses / (gains)	289,000	(2,073,000)
Benefits paid	(67,000)	(45,000)
	<u>3,888,000</u>	<u>3,305,000</u>

Changes in the fair value of scheme assets are as follows:

	2024 £	2023 £
Opening fair value of scheme assets	5,007,000	4,950,000
Contributions by employer	155,000	135,000
Contributions by scheme participants	46,000	46,000
Expected return	241,000	138,000
Actuarial gains / (losses)	259,000	(217,000)
Benefits paid	(67,000)	(45,000)
	<u>5,641,000</u>	<u>5,007,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	2024 £	2023 £
Experience gains / (losses) on assets	259,000	(217,000)
Changes in demographic assumptions	3,000	33,000
Change in financial assumptions underlying the scheme liabilities	245,000	2,335,000
Other experience gains / (losses)	(522,000)	(295,000)
	<u>(15,000)</u>	<u>1,856,000</u>

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Employee Benefit obligations (continued)

The major categories of scheme assets as amounts of total scheme assets are as follows:

	2024 £	2023 £
Equities	3,271,780	3,004,200
Bonds	1,523,070	1,401,960
Property	564,100	500,700
Cash	282,050	100,140
	<u>5,641,000</u>	<u>5,007,000</u>

The employer contributions for the year ended 31 March 2024 will be approximately £135,000.

20. Guarantee

In July 2017, North Lanarkshire Council provided the Local Government Pension Scheme with a guarantee in respect of Routes to Work Limited's participation in the Strathclyde Pension Fund in the event of a 'relevant event' being the charity:-

- Going into insolvency, winding up or liquidation; or
- Exiting the scheme under the terms of Regulation 62 of the 2014 Regulations or otherwise ceasing to be a scheme employer; or
- Breaching any of its obligations under the Admission Agreement (but where the breach is capable of remedy, only where it has not been remedied within a reasonable time); or
- Failing to pay any required sums due to the scheme within a reasonable period of notice from the scheme's Administering Authority requiring payment.

North Lanarkshire Council will make payment of any unfunded amounts due to the Scheme by the charity.

In 2019 the directors took advice from an independent firm of actuaries and also sought legal advice and were assured that the guarantee from North Lanarkshire Council is comprehensive, covering contributions, other payments and other sums due in respect of the charity's participation in the Strathclyde Pension Scheme should any of the relevant events as outlined above occur. In addition, due to the availability of the guarantee, the charity benefits from a preferential contribution rate, linked to that applied to North Lanarkshire Council.

21. Pension commitments

Standard Life Defined Contribution Scheme

The company also operates a defined contribution pension scheme, the assets of which are held in separate funds. The amount paid in the year and charged to the Statement of Financial Activities amount to £235,005 (2023: £136,260). At 31 March 2024, £29,192 (2023: £11,617) was due to the pension company.

ROUTES TO WORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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22. Operating lease commitments

At 31 March 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	63,415	47,225
Later than 1 year and not later than 5 years	1,667	-
	<u>65,082</u>	<u>47,225</u>

23. Related party transactions

North Lanarkshire Council is the member of Routes to Work Limited and its ultimate controlling party. During the year ended 31 March 2024, the charity received project funding from North Lanarkshire Council of £3,949,242 (2023: £3,657,885) and management fees of £51,761 (2023: £105,460).

During the year, the charity paid North Lanarkshire Council £100,926 (2023: £86,133) in respect of rent and contract cleaning costs.

As at 31 March 2024, North Lanarkshire Council owed the charity the amount of £730,646 in respect to invoices raised for project delivery (2023: £505,339).

As at 31 March 2024, the charity owed North Lanarkshire Council the amount of £757,018 in respect to advance funding (2023: £nil).

