



Bridges Project

A company limited by guarantee, registered in Scotland

Trustee annual report and financial statements

Company number SC277102

Charity number SC036976

31 March 2023

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Reference and administrative information

Directors and Trustees

Dr K Aitchison
Mr A Thomas - Lothian Homes Trust nominated
Ms S Lynn
Ms S MacLean
Ms R Baxter
Mr C Fraser
Mr F Parkinson
Mr J Ewart
Mr H McMichael – Lothian Homes Trust nominated

Company Secretary

Mrs M McLean

Senior Management Team

Mrs E Scarcliffe, Chief Executive Officer.
Mrs M McLean, Finance and Administration Manager

Registered office

Unit 1
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Auditor

Henderson Loggie LLP
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Bankers

Bank of Scotland
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Charity registration number SC036976

Company registration number SC277102

Trustees' annual report

The trustees present their report together with the financial statements of Bridges Project (the charity) for the year ending 31 March 2023.

Structure, governance and management

Governing document

Bridges Project is a charitable company limited by guarantee, incorporated on 7 December 2004 and registered as a Scottish charity on 18 November 2005. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.00.

Appointment of directors/trustees

As set out in the Memorandum and Articles of Association, trustees are both members of the company and company directors. Two trustees (Trust Nominated Directors) are nominated by Lothian Homes Trust at the Annual General Meeting or at some other scheduled general meeting or extraordinary meeting. Trust Nominated Directors are subject to the appointment and nomination processes of Lothian Homes Trust.

Up to seven trustees (Member Directors) are admitted to the Board through the membership application route and are appointed as trustees by the Board at the Annual General Meeting or at some other scheduled general meeting or extraordinary meeting.

There is no power of co-option, although trustees are permitted to appoint external advisers to assist with specialist areas of company or charitable business.

All trustees are advised of the retirement, nomination and re-election procedures of Bridges Project prior to the Annual General Meeting, as set out in the Memorandum and Articles of Association.

The Chairperson, Vice Chairperson, Secretary and any other officers required by the Board are appointed and re-appointed at the Annual General Meeting, or through retirement, at another general or extraordinary meeting.

Trustee induction and training

New trustees undergo an orientation process, organised by the Chairperson of the Board and the Chief Executive Officer. They are briefed on their obligations as trustees and company directors in line with current charity and company law. New trustees are introduced to the Memorandum and Articles of Association, the financial structures, performance and organisation of Bridges Project and of the Board structures and decision making processes. Trustees are introduced to the Senior Management Team and to their roles and responsibilities. Separate opportunities are made available throughout the year to meet individually with staff and to be inducted into the principles and practice of Bridges Project. Prior to being elected as members and trustees, they are offered the opportunity to attend a Board meeting as an observer. Trustees are encouraged to attend external training and conference events where these will facilitate the undertaking of their role and to participate in in-house training alongside staff, volunteers, interns and students. Trustees are kept up to date by senior staff about changes in the social policy environment and receive regular briefings about good governance and shifts in charity regulations, company law and reporting requirements. All trustees are required to become members of the Protection of Vulnerable Groups scheme.

Organisational structure

The Board of trustees, which can have up to 9 members, administers the charity. The full Board meets quarterly. A finance group also meets quarterly with additional ad hoc meetings as required. The finance group reports to the full Board on performance, planning and risk and makes recommendations on financial strategy and expenditure. Specific, time limited working groups are established to provide the organisation with strategic and operational goals in relation to publicity, dissemination, public fundraising, succession planning, conditions of service and strategic vision. In most cases, staff and beneficiaries are invited to join or to make contributions to these groups. A Senior Management Team, consisting of the Chief Executive Officer and the Finance and Administration Manager is appointed by trustees to manage the day-to-day operations of the charity. To facilitate effective operations, this team, headed by the Chief Executive Officer, has delegated authority, the terms of which are decided and approved by the trustees, for operational matters including finance, employment practice, and development. Key management remuneration is set by the Finance Committee using benchmark data and agreed by the full Board. The trustees have supported the Senior Management Team and staff through on-going challenges, working closely together to ensure the financial probity of the charity and to guarantee that Bridges Project's charitable objectives are met and that donations and grants are spent and accounted for in line with donor expectations.

Related parties

The charity has a close working relationship with the Board of Governors of the Lothian Homes Trust, a Scottish charity which shares similar objectives to Bridges Project. From 1985 to 31 March 2006, Bridges Project was the delivery arm of Lothian Homes Trust. On 1 April 2006, Bridges Project became an operating Scottish charity in its own right, having worked through the process during the previous two years of establishing itself as both a company limited by guarantee and a Scottish charity. Lothian Homes Trust nominates two members to Bridges Project's Board and has agreed a funding package with Bridges Project that lasts until 2024. Bridges Project leases its operating premises from Lothian Homes Trust.

Risk management

The trustees seek to manage risk effectively and take all reasonable steps to ensure the protection of staff, clients, the general public and the charity's assets. The trustees have a risk management strategy which comprises a full annual review and ongoing update of the risks the charity may face.

These risks include the impact of the ever-changing macro-economic environment, changes to the local and national political landscape, which may affect social spending priorities and changes to company law, and charity regulation that affect governance. Systems and procedures to mitigate the risks identified in these reviews are in place.

Trustees provide the authority and take responsibility for the establishment, maintenance, support and evaluation of the risk management policy. They set the ethical background and develop the culture of risk management within Bridges Project. The Senior Management Team is charged with supporting and implementing the risk management policies and procedures set out by trustees and is responsible for identifying and reporting major risks to trustees. The Senior Management Team is required to report and remedy failures in existing risk control measures. All staff are encouraged and expected to take personal responsibility for the management of risk.

Trustees' annual report *(continued)*

During the course of the year, trustees examined the major risks to which the company is exposed, both financial and non-financial, and are satisfied that the rigour of the systems and procedures currently in place is sufficient to mitigate those risks. It is recognised that whilst retention of staff is of persistent concern due to short-term funding packages, the loss of senior management staff would have a significant impact on the functioning of the charity and the situation is under regular review to ensure that appropriate interim management and succession planning strategies are in place.

The Board has considered the additional risks posed by the continuing, uncertain economic and political environment. The UK's departure from the European Union does pose some funding and planning uncertainties in the medium and long term to independent charities like Bridges Project.

Trustees are acutely aware of the difficulties in balancing budgets, which do not grow, with the fair pay requirements of staff. With independent Trusts and funding organisations continuing to report a big increase in applications from third sector organisations, the trustees are aware that maintaining a healthy reserve fund is a key priority of the Finance Group in its planning assumptions..

The past post Covid 19 year has continued to be challenging, the adjustments to service delivery with a mixture of remote and face to face work ensures clients have an ongoing robust service. In these unprecedented and challenging economic times especially for the Voluntary Sector, Trusts and Funders are further stretched, we continue to actively pursue funding and are confident in our ability to attract grants for future services.

Improving governance

Managers are expected to continue to design and deliver services, which are relevant and meaningful, open to rigorous monitoring and evaluation and demonstrate the value of investing in the charity. Whilst trustees are able to mitigate only some of the impact of risks that arise from big political, social and economic changes, they are very much in control of ensuring that the Bridges Project responds well to the challenges of compliance with company and charity law. Trustees are aware of the problems that can arise from reputational damage due to poor governance and internal, executive controls. The Board ensures compliance with charity and company law and has introduced a real time membership portfolio system, which accommodates the annually updated register of persons with significant control, register of interests and fit and proper person declarations. The portfolio also records PVG membership movement and changes in membership of the Board. The introduction in 2016 of a more rigorous data protection and confidentiality policy adheres to the EU's General Data Protection Regulations, to which Bridges Project follows with robust protocols and systems in place.

Trustees are guided by the organisation strategic plan through to 2027. The plan is a collaborative venture among staff, beneficiaries and trustees and accommodates views and feedback from external stakeholders and interested third parties. The strategic plan for 2022 – 2027 was adopted in July 2022.

Key elements of the plan include:

- adoption of the new mission statement: *Our purpose is to inspire young people to build a confident future, enabling them to reach their potential as individuals and participate fully in the life of their communities*
- a continuing commitment to delivering services primarily in East Lothian and Midlothian
- a commitment to extend the age range of beneficiaries, wherever possible and professionally prudent, from Primary 7 children at the bottom end of the range to 25 year olds at the top end
- improving access to our services to lone parents, young people with learning disabilities, and care experienced young people
- increasing our activity in the fields of physical activity, health and wellbeing for young people
- improving the quality of our marketing and fundraising efforts
- speedier introduction of new technologies across the whole agency
- continuing commitment to the development of local strategies and plans which affect young people
- continuing commitment to working collaboratively and in partnership with local authority, third sector, further education and private sector agencies to maximise the benefits of joint working for young people.

The Board of Trustees remain committed to continuous improvement of governance. In parallel with delivering the new strategic plan, trustees undertook a comprehensive review of Bridges Project's Memorandum and Articles of Association, to ensure that our constitution is fit for purpose over the lifetime of the strategic plan. This review cycle will continue into the future.

The Board of Trustees plays a crucial part in the ongoing success of Bridges Project. The Board of Trustees provides and safeguards the ethical frameworks, which enable staff to operate safely and legally, and holds senior managers to account. In these challenging and uncertain times, trustees have continued to work hard to provide as much security as possible for staff and beneficiaries. They have set the direction of travel for the project which commits managers to seeking continuing funding for all existing service provision. Their deep understanding of employment law and finance has enabled the appropriate use of reserves and designated funding to secure posts through to 2024.

The Board of Trustees professional backgrounds have been tapped to provide the team with permission to explore funding opportunities to support improvements in our use of new technologies, marketing and fundraising. They have supported all efforts to increase opportunities for the continuing professional development of staff and to increase the life chances of young people who are living in poverty and other disadvantaged circumstances.

Bridges Project's staff has accumulated decades of experience in the management of a small but complex charity and this experience is utilised to the full. Our experienced professional staff team has demonstrated a principled and committed approach to working with young people and to delivering sustainable outcomes, which are meaningful and relevant to their life experiences and future ambitions. Staff have responded magnificently when presented with the challenges faced by young people and the complex circumstances in which the young people find themselves in. The proportion of young people who present with extremely difficult personal and social problems is growing – childhood trauma, anxiety, autism, social isolation, mental illness, caring responsibilities, school absenteeism, social work involvement, family breakdown, poverty and homelessness are becoming increasingly prevalent in the beneficiary group and with the challenges of a pandemic to further add to their difficulties. Helping young people in these circumstances to look forward and begin to achieve can be daunting. Our staff team has worked tirelessly to harness the expertise of other agencies and professionals in genuine collaborations to create pathways for young people that enable them to participate in education, training, employment, and in their families and communities, as equals to their peers.

Objectives and activities

Our purpose is to inspire young people to build a confident future, enabling them to reach their potential as individuals and participate fully in the life of their communities.

The company and charitable objects are:

- to provide and/or promote training for young people, particularly in such skills as will assist the participants in obtaining paid employment
- to relieve unemployment for the public benefit among young people in such ways as may be thought fit, including assistance to find employment
- to promote and protect the welfare and physical health of young people and to assist in the relief of ill health and the provision of health education for young people
- to relieve poverty among young people
- to relieve the needs of young people who suffer from mental and/or physical disability, illness or impairment
- to work towards the elimination of discrimination (whether on the grounds of race, religion, disability, gender, sexual orientation or otherwise) in relation to young people, and to promote and support equality of opportunity for all young people irrespective of race, religion, disability, gender or sexual orientation
- to help young people to develop their physical, mental and spiritual capacities, such that they may grow to full maturity as individuals and as members of society
- to promote public safety, in particular with regard to young people
- to assist in the provision of housing for young people who are in necessitous circumstances
- to advance education among young people
- to promote and/or support other charitable projects and programmes for the benefit of young people

Our multi-disciplinary Practice Team is responsible for developing and delivering the services, which fulfil the Bridges Project's charitable objectives. Organised around key themes into teams, staff are encouraged to be innovative in approach and method but focused on delivering outcomes for beneficiaries that are relevant and meaningful. Methods and projects delivered across the staff team continue to improve the offers to young people and the personal outcomes achieved by them. Led by the Chief Executive Officer, they are well prepared to meet the emerging challenges presented by young people and the impact of the continuing squeeze on public service spending. Specific issues in relation to: increasing poverty; the changing nature of the local labour market; Covid- 19 pandemic; the shortage of affordable housing and ongoing welfare reform are taken account of in our strategic plan and risk analysis. Whilst Bridges Project is happy with the Scottish Government's mental health strategy, there remain service access and response barriers for young people to enable them to improve their well-being. The work to develop and improve services for carers and young carers is welcome and we have secured funding to improve and increase the support available to them in the next two years. The make-up of our thematic teams remains flexible; to respond to the actual needs presented by young people on a daily basis; to respond to developing trends of need locally and to meet the outcomes set by local and national policy initiatives.

Independent Living Service

- For young people aged 15-25 in East Lothian
- Support for young tenants and prospective tenants to develop independent living skills and maintain and sustain tenancies
- Delivers the SQA accredited Tenancy Award qualification

Trustees' annual report *(continued)*

Education and Employability Coordinator

- For young people aged 12-21 in East Lothian
- Support young people to progress into opportunities such as employment, further education and training
- Works closely with agencies such as social work, schools and Skills Development Scotland

Way2Work East Lothian

- For young people aged 15-21 in East Lothian
- Provides young people with employability support, skills development, work practice placements and support to achieve and sustain positive destinations
- Delivers customised and individually tailored employability support packages

Employability Support Worker (Schools)

- Supports S4 students in East Lothian
- Provides employability skills programmes at all six East Lothian high schools
- Helps young people with areas such as CVs and interviews, college applications and personal life issues

Inclusion Support Service

- For S2 to S6 students in East Lothian who are not engaging with mainstream school
- Offers learning opportunities, emotional wellbeing support and practical support to help young people progress into positive destinations
- Delivers in house accredited learning opportunities and social activities

Way2Work 16+

- For young people aged 16-21 in East Lothian and Midlothian who have left school without a positive destination in place
- Provides young people with employability support, skills development and work practice placements and support to achieve and sustain positive destinations

Spark Your Future

- For young people aged 16-24 in East Lothian
- Supports young people to gain employability skills, life skills and progress to meaningful opportunities
- Provides vocational and industry specific accreditation and training

Support2Thrive

- For young people aged 13-18 in East Lothian and Midlothian
- Supports young people to gain employability skills, life skills and progress to meaningful opportunities
- Delivers industry-specific courses such as the construction industry employability programme Build You Up and the beauty industry employability programme Glow Up

Personal Development Worker

- Supports young people aged 12-18 in East Lothian and Midlothian
- Provides emotional and practical support to increase young people's confidence, self-esteem and resilience and help them develop coping strategies
- Works closely with schools, social work and mental health services

Support4Tomorrow

- Supports young people aged 14-19 in East Lothian and Midlothian
- Supports young people to cope with the mental health effects of the Covid-19 pandemic
- Assists young people to transition to adult responsibilities by helping them acquire the skills needed for managing everyday life

Young Carers Service

- Supports young people aged 13 and over who have caring responsibilities
- Works in partnership with East Lothian Council colleagues to raise awareness of young carers and shape service delivery across East Lothian for young carers
- Supports young carers with personal development, employability, skills development, the financial and emotional aspects of being a young carer and respite opportunities

Listening Peers

- For young people aged 13-25 in East Lothian who have been affected by the alcohol and drug use of others
- Peer mentoring led by young people with lived experience
- Provides young people with respite, support, help to tackle feelings of stigma and discrimination and advice on overcoming challenges and other support services.

Service Summary

2022-2023 was a year of change for Bridges Project. As well as marking the first full year of returning to face-to-face service delivery after the Covid-19 pandemic, the charity underwent a major restructuring process in August 2022. We went from three practice teams to two large teams; the Education & Employability Team and the Skills for Life Team. The latter team includes the two strands of Independent Living and Mental Health & Wellbeing. These changes were a result of all the additional provision Bridges Project were able to offer in the second half of 2022. One of these additions is the new educational support service Support2Thrive, which prepares young people to move on to a positive destination through a particular focus on vocational and industry specific accreditation and training. We also launched the Spark Your Future employability service, which helps young people gain the confidence and skills required to secure a job, modern apprenticeship or a volunteering post or to enter further education. Furthermore, we expanded our employability service Way2Work 16+ and the peer mentoring programme Listening Peers, enabling both services to support twice as many young people as in the previous year. With a new Group Programme for young people in Musselburgh and a new Young Carers Service also starting in 2023-2024, it therefore continues to be an exciting time for Bridges Project's service provision.

Even though there were a range of positive developments for our services, this was still a year characterised by the aftermath of the Covid-19 pandemic and the continuing cost-of-living crisis for our young people. There was a significant rise in referrals made for young people with mental health issues as well as an increased number of young people self-harming and experiencing suicidal thoughts. The disruption during the pandemic also left a lot of young people without work experience and qualifications, making it harder for them to enter the job market. This shows the significant and negative impact the crises of the last few years have had on young people and this is likely to continue in the coming years. The increase in young people struggling has also led to an increase in referrals and growing waiting lists for services across the board - both within and outside of Bridges Project. As a result, more young people than ever are in a desperate situation of waiting to access vital support, leading to an unprecedented demand for our services.

Despite their struggles, young people have with the support of Bridges Project impressed us with their resilience in 2022-2023. Our newly developed Bridges Foundations workbooks have helped young people in this regard, supporting them in areas such as managing their anxiety and developing vital life skills. Young people have also completed a large number of qualifications and work experience placements, which have helped them develop skills and confidence, build their CV and ultimately become more competitive within the labour market. Coupled with their participation in the wide range of groups Bridges Project have been able to offer this year, such as the construction industry employability programme Build You Up and the #GetAJob employability group, a significant number of young people have managed to overcome barriers to moving on to a positive destination.

Bridges Project has also been working towards easing the pressures young people have been facing by distributing a series of grants aimed at supporting them through the cost-of-living crisis. These have included grants from Cash for Kids and STV Children's Appeal for food and basic essentials for those struggling the most. Our new GetConnected IT & Education Suite, launched in July 2022, is another initiative that has helped young people cope with the unprecedented financial challenges of recent times through providing them with the digital skills and access needed to apply for relevant support online. The Suite has also given the charity a new dimension in our wider provision to young people as it has allowed us to integrate digital into group and one-to-one sessions on a whole new scale. We are confident it will make a lasting impact on young people for years to come.

Bridges Project provided support to 299 young people in 2022-23. 196 young people received intensive, one-to-one support and 136 secured or maintained a positive destination.

The trustees take their responsibility as contributors to strategic development seriously and are committed to advocating for young people through senior staff participation in a number of local and national strategy and operational groups led by local authorities, health services, cross-sectoral partnerships and national agencies. Involvement in strategic and operational hub meetings in schools, local area partnership planning groups, drug and alcohol planning meetings, anti-poverty networks, and third sector interface planning groups are key elements of our work. This has continued with senior staff presence in multi-sector planning groups for looked after children, young substance misusers, young adult carers and with local anti-poverty strategies. Managers have also participated in a plethora of consultation events and responded to consultation papers of local and national significance in such diverse areas as poverty, welfare benefits, housing and homelessness, corporate parenting, health promotion and children's services. Managers are additionally required to monitor the policy landscape locally and nationally to ensure that service provision, whilst offering alternatives to mainstream provision, is rowing in the same direction as partners and funders. Trustees have been kept well informed about policy shifts in education, employability children's wellbeing, child protection, mental health, anti-poverty strategies, welfare benefits, governance and data protection and how these affect young people and the services we deliver.

The Bridges Project's Board of Directors and Senior Management Team has a good understanding of the policy and legal frameworks that drive the strategic direction of Bridges Project and provide the essential context for how we plan and deliver our services. Trustees are keenly aware that their ambition to deliver a meaningful, relevant, sustainable and innovative portfolio of services can only be met if the charity has a clear vision about what it seeks to achieve within the local and national policy framework.

Financial Review

The financial position of the company at the year-end is as disclosed in the balance sheet on page 21. Grants received in advance for services to be delivered in the forthcoming financial year have been deferred accordingly (note 13). Restricted funds from individual sources are reconciled at note 15 on page 32.

As described earlier in this report, funding was secured for all our ongoing services this year. Trustees had designated funds in March 2022 to support important developments during the year to further the development of the Transitions team. These developments have proved extremely successful and will be a focus for future funding applications.

Salaries and pay structures are regularly reviewed internally by the trustees with reference to external benchmarks, expectations of posts, and affordability. Remuneration for senior managers is included in this process.

Funding

Trustees continue to be grateful for the core funding received from Lothian Homes Trust that enables us to be innovative with funding packages for projects and developments. Annual grants have continued from East Lothian Partnership Fund. East Lothian Health & Social Care Partnership funding concluded in August 2022 and East Lothian Council's Housing Department 3-year Service Level Agreement comes to an end in March 23. East Lothian Council's Inclusion Support Service is funded through to 2025, allowing the continuation of this valuable service.

Trustees' annual report *(continued)*

In March 2022, we were delighted to have confirmation of a three year funding award from Robertson Trust to deliver an Educational & Employability Service to young people, this will further enhance the work of Bridges Project as a whole.

A 3-year grant from BBC Children in Need was awarded in March 2022 which continues to run through to 2025. This award will continue to support a much needed successful service.

2-year funding from 2023-2025 was awarded by the Triangle Trust 1949 fund to allow us the further develop the young carers service. This will commence in April 2023.

We were pleased to accept an award of £17,504 from The Bank of Scotland Reach programme for year 2023-24. This will be a major contribution to funding the role of Education and Employability coordinator, who along with supporting the Education and Employability team, also works directly supporting young people.

We gratefully acknowledge donations from Dona Milne, Tesco Stores, Loretto School, Kilt walk supporters, The Eda Jardine Trust, Hugh Fraser Foundation, Inner wheel, Vicky Hunter, Clive Richardson, Charities Aid Foundation, STV children's appeal, East Lothian Lottery Donations, Amazon Europe Care Donations and anonymous donations. These donations enable us to provide extra resources and activities for the direct benefit of our young people.

Reserves and designations

Bridges Project's reserves policy is set out below. Funds continue to be managed by investment in deposit accounts with a spread of banking institutions. Bank interest rates remain disappointing but our investment strategy continues to be cautious to ensure that funds are accessible as needed.

This year Trustees have designated £70,587 for specific purposes in 2023-24. This will enable us to fund a Practice Manager, part-fund an Education and Employability Co-ordinator and to cover short falls allowing us to continue service delivery with an increased staff team.

The Board has prepared detailed budgets for the next 12 months based on secured and anticipated funding. On the basis of these income streams, Bridges Project's current reserves and cash position, the Board believes there are sufficient resources to enable it to meet all operational expenditure over the next 12 months. Applications for additional funding sources have been submitted and the charity will continue to seek funding for the following 12 months. The going concern basis of preparation is therefore considered to be appropriate.

Reserves policy

Bridges Project's financial strategies incorporate the need both to maintain and, where required, increase the charities reserves as security against unexpected legitimate financial demands, losses and emergencies. They are also designed, where feasible, to enable the bridging of any gap arising in funding from uncertain sources, in order to maintain the continuity of the Bridges Project's services to beneficiaries.

Trustees' annual report *(continued)*

There are three parts to Bridges Project's reserves:

- Restricted reserve comprising of funds that are restricted by donor to specific areas of activity and/or service delivery
- General reserve (unrestricted) which is intended to meet financial shortfalls in the management and development of Bridges Project's day to day activities
- Endowment fund that is restricted and is intended to provide a more secure financial base for meeting the costs of obligations which are incurred by Bridges Project for which other funds are not available.

Bridges Project reserves policy is to maintain a sufficient level of reserves to enable normal operating activities to continue over a period of up to 6 months should a shortfall in income occur and to take account of potential risks and contingencies that may arise from time to time.

Restricted funds

Grants and donations received from individuals and organisations for specific areas of service delivery form the restricted funds of Bridges Project. Any funds remaining at the close of a financial year are declared and held in the restricted reserve for future use in the defined area of service delivery and according to the terms and conditions of the relevant funders.

General reserve (unrestricted)

The general reserve is intended to be flexible in the context of Bridges Project where much of the funding is short-term and restricted. Funds which remain undesignated may be required to meet any shortfall in general funding for the year. The use of this reserve requires the authority of the Finance Group; recommendations may be made by the Senior Management Team. The Board has reviewed the risks and correspondingly the level at which the general reserves should be maintained and agreed that it would meet time-limited funding shortfalls where seamless continuation is of critical importance in delivering services to clients. The level of the general reserve will be reviewed annually in order to determine whether any adjustments should be made. On review in March 2023 it was agreed that the general reserve should be 6 months running costs, which is £301,147 based on the 2022-23 level of expenditure. This compares with a reserve of £386,501 at the year-end and it is the Board's wish that in the event of general reserves exceeding this level, they should be used where possible to take forward new, specific, and pieces of work either in practice or development.

Trustees' annual report *(continued)*

Endowment fund

The sum of £65,000 provided by the LHT to Bridges Project as a one-off payment will be used towards meeting the financial obligations incurred by the Charity as a result of the following and any other similar circumstances:

- in the event of the Charity having to be wound up including the associated costs of staff redundancies
- in the event of employee, client, customer or other third party litigation against the Charity
- in the event of the Charity pursuing litigation against an employee, client, customer or other third party
- in the event of other necessary, exceptional and legitimate costs arising which are not able to be met through the Charities' annual budget or other standard financial route otherwise available to the Charity

The use of this fund requires Board authority.

The fund outlined above is deposited in a high interest-bearing investment account. Where the reserves do not reach the trustees' preferred level, all attempts will be made to secure additional unrestricted funding through fundraising and other activities.

Additionally, the trustees will seek to ensure that general reserves are not eroded by insufficient core cost recovery on services which are grant funded; therefore, grant applications, where possible will be made on a full cost recovery basis.

Plans for future periods

Trustees, along with senior staff, will continue to monitor the organisation's progress against the key objectives set out in its strategic plan. This plan will be regularly reviewed to take account of the risks and opportunities, which may arise for the organisation and its beneficiaries following significant changes to the political and policy landscapes locally, nationally and internationally. Senior staff and trustees are prepared to guide the project through the impact of ongoing national austerity, and the post Covid 19 years. Although competition for dwindling funds will be a challenge, trustees believe the Project to be resilient and adaptable enough to thrive and develop in the future.

Trustees and senior staff are very much aware of the ever-changing financial climate and the implication this could have on future funding options as well as the Bridges Project service delivery. We are confident that the strategies in place will sustain and develop Bridges Project in the years to come.

Trustees' annual report *(continued)*

Trustees have renewed their commitment to universality but will expect staff to reach out further to young parents, young people with wellbeing problems, care experienced young people and those with learning disabilities. Managers are expected to continue to make positive contributions to the development of local strategies for young adult carers, care experienced young people, and young people at risk of leaving the school roll with no positive destination. Bridges Project will continue to support the work of the East Lothian Poverty Commission and, through engagement with Midlothian Financial Inclusion Network and Musselburgh Area Partnership, make further contributions to contribute to local anti-poverty strategies. Trustees have committed Bridges Project to playing a significant role in closing the attainment gap and in assisting young people to become successful learners, confident individuals, responsible citizens and effective contributors.

All trustees and staff will continue to work with young people to ensure that a rolling programme of beneficiary participation and involvement is in place, which values their contributions and provides them with an effective voice in the running of the organisation. This will include participation in the recruitment processes of Bridges Project, consultation about the shape and objectives of new services and in how the physical environment at Bridges Project is improved.

The continuing professional development of staff and managers and the governance training of trustees will continue throughout the year. Trustees will be provided with the opportunity to attend training and grow learning across a range of governance areas including charity law and finance; company law; employment law; data protection changes; marketing and social media. They will also be offered opportunities to gain an understanding of policy and process in key areas such as safeguarding, health and safety and local and national policy planning.

Statement of trustees' responsibilities

The trustees (who are also the directors of Bridges Project for the purposes of company law) are responsible for preparing the Trustees' Report and 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 year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' annual report *(continued)*

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

Auditors

A resolution will be proposed at the Annual General Meeting that Henderson Loggie LLP be reappointed as auditors for the ensuing year.

Approval of the report

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 and in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on 26 September 2023 and signed on their behalf by:


Karen Aitchison - 2023-10-17, 07:15:49 UTC

Dr K Aitchison
Chair

Independent auditor's report to the trustees and members of Bridges Project

Opinion

We have audited the financial statements of Bridges Project (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023 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 (as amended).

Basis of 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the 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 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.

Independent auditor's report to the trustees and members of Bridges Project

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the directors' report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the 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 directors' report and from the requirements 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

Independent auditor's report to the trustees and members of Bridges Project

As part of our planning process:

- We enquired of management the systems and controls the charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following were most relevant: employment law (including payroll and pension regulations), health and safety; and compliance with the UK Companies Act and Charities legislation.
- We considered the incentives and opportunities that exist in the charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charitable company, together with the discussions held with management at the planning stage, we formed a conclusion of the risk of misstatement due to irregularities, including fraud, and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities, including fraud, during the course of the audit included:

- Enquiring with management about any known or suspected instances of non-compliance with laws and regulations, including GDPR and employment law, and fraud;
- Review of correspondence with regulators including OSCR and the Health & Safety Executive;
- Review of legal fee expenditure and board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at <https://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 Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Keith Macpherson - 2023-10-20, 09:27:56 UTC

Keith Macpherson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie LLP

Chartered Accountants

Statutory Auditor

Ground Floor, 11-15 Thistle Street

Edinburgh

EH2 1DF

Date:

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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Statement of financial activities

for the year ended 31 March 2023

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Year to 31 March 2023 £	Year to 31 March 2022 £
Income							
Income from investments		3,452	-	-	-	3,452	1,026
Donations and legacies	3	14,266	-	-	-	14,266	20,104
Income from charitable activities	2	217,943	-	403,743	-	621,686	669,748
Total income and endowments		235,661	-	403,743	-	639,404	690,878
Expenditure							
Expenditure on raising funds							
<i>Grant applications</i>	5	(38,877)	-	-	-	(38,877)	(35,947)
Total expenditure in raising funds		(38,877)	-	-	-	(38,877)	(35,947)
Expenditure on charitable activities:	4,6						
<i>Service development and strategy</i>		(50,679)	-	-	-	(50,679)	(39,594)
<i>IT Suite and covid</i>			-	-	-	-	(47,786)
<i>Skills for Life</i>		(80,505)	-	(95,028)	-	(175,533)	(158,717)
<i>Education/ Employability</i>		(21,576)	-	(168,785)	-	(190,361)	(95,066)
<i>Independent Living Service</i>		(59,609)	(32,115)	(50,120)	-	(141,844)	(171,935)
Total expenditure on charitable activities		(212,369)	(32,115)	(313,933)	-	(558,417)	(513,098)
Total expenditure	5,6	(251,246)	(32,115)	(313,933)	-	(597,294)	(549,045)
Net (expenditure)/income		(15,585)	(32,115)	89,810	-	42,110	141,833
Transfer between funds		33,871	33,466	(67,337)	-	-	
Net movement in funds		18,286	1,351	22,473	-	42,110	141,833
Funds at 31 March 2022		368,215	69,236	135,557	65,000	638,008	496,175
Funds at 31 March 2023		386,501	70,587	158,030	65,000	680,118	638,008

Balance sheet as at 31 March 2023

	Note	At 31 March 2023		At 31 March 2022	
		£	£	£	£
Fixed assets	10		3,387		7,146
Current assets					
Debtors	11	20,146		53,877	
Short term deposits		753,038		649,690	
Cash at bank and in hand		51,097		53,233	
			<u>824,281</u>		<u>756,800</u>
Creditors:					
Amounts falling due within one year	12	(147,550)		(125,938)	
Net current assets			676,731		630,862
Total assets less current liabilities			680,118		638,008
Represented by					
Unrestricted revenue:					
General	14	386,501		368,215	
Designated	14	70,587		69,236	
			457,088		437,451
Restricted revenue	15	158,030		135,557	
Restricted endowment	15	65,000		65,000	
			223,030		200,557
			680,118		638,008

These financial statements are prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and were approved by the Board of Trustees and authorised for issue on 26 September 2023 and signed on its behalf by:


Karen Aitchison – 2023-10-17, 07:15:49 UTC

Dr K Aitchison
Chair

Statement of cash flows as at 31 March 2023

	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities				
Net income / (expenditure)	42,110		141,833	
Income from investments	(3,452)		(1,026)	
Depreciation charges	3,759		4,572	
Decrease/(increase) in debtors	33,731		(45,865)	
Increase in creditors	21,612		56,272	
	<u> </u>		<u> </u>	
Cash provided by operating activities		97,760		155,786
Cash flows from investing activities				
Interest received	3,452		1,026	
Payments to acquire tangible fixed assets	-		(8,641)	
	<u> </u>		<u> </u>	
Cash provided by/(used in) investing activities		3,452		(7,615)
Increase in cash and cash equivalents in the year		<u>101,212</u>		<u>148,171</u>
Cash and cash equivalents at the beginning of the year		702,923		554,752
		<u> </u>		<u> </u>
Total cash and cash equivalents at the end of the year		804,135		702,923
		<u> </u>		<u> </u>
Cash and cash equivalents comprise:				
Short term deposits		753,038		649,690
Cash at bank		51,097		53,233
		<u> </u>		<u> </u>
		804,135		702,923
		<u> </u>		<u> </u>

Notes to the accounts

1. Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of investments to market value. The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities", and in accordance with Financial Reporting Standard 102 (FRS 102).

Going concern

The accounts are prepared on the going concern basis of preparation. The Board has prepared detailed budgets for the next 12 months based on secured funding. On the basis of these income streams, the company's current reserves and cash position, the Board believes there are sufficient resources to enable it to meet all operational expenditure over the next 12 months. Applications for additional funding sources have been submitted and the company will continue to seek funding for the following 12 months. The going concern basis of preparation is therefore considered to be appropriate.

Income

Income is recognised when the charity has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably. Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. Grants for charitable activities received in advance for services to be delivered in a future financial year are treated as deferred income to be drawn down in the subsequent period as defined by the terms and conditions of those grants.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds

Expenditure on raising funds comprise an estimate of the cost of staff time spent on researching and completing grant applications.

Expenditure on charitable activities

Expenditure on charitable activities comprise those costs incurred in the delivery of activities and services for beneficiaries. It includes both costs which can be allocated directly, and those costs of an indirect nature necessary to support them. Support costs include central administration functions and overheads and governance costs are the costs of meeting statutory obligations, including audit. Both costs are allocated to charitable activities on the basis of staff hours per activity.

Notes to the accounts *(continued)*

Accounting policies *(continued)*

Foreign currency transactions

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the statement of financial activities.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, and are depreciated over 3 years on a straight line basis, apart from tenant's improvements which are written off as expenditure is incurred. Additions costing less than £1,000 are not capitalised.

Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and monies held in short term deposits.

Creditors and provisions

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

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Board for particular purposes. Restricted funds are subject to grant and/or donor terms and conditions. The endowment fund represents income gifted to the charity for which there is no requirement or expectation to spend or apply the capital unless, or until, the Trustees decide to spend it (expendable endowment). Income arising on the endowment fund can be used in accordance with the objectives of the charity and is included as unrestricted income.

Taxation

The company has been accepted as a charity for tax purposes by HM Revenue and Customs under Sections 466 to 493 Corporation Tax Act 2010.

Pension scheme

The company contributes to a defined contribution pension scheme on behalf of employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting year.

Operating leases

Annual rentals for operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Notes to the accounts *(continued)*

Accounting policies *(continued)*

Critical accounting judgements and estimate uncertainty

Charity management and the Board of Trustees make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as income and expenditure. These estimates are based on historical experience and on various assumptions considered reasonable under prevailing conditions. The actual outcome may diverge from the estimate if after assumptions are made, or other conditions arise. The estimates and assumptions that may have a significant effect in the carrying amounts are:

- a) Tangible assets are recognized at cost, less accumulated depreciation. Depreciation takes place over the estimated useful life down to the assessed residual value.

2. Income from charitable activities

Grants received 2022-23	2023	2022
<i>Restricted</i>	£	£
East Lothian Council Housing Service	105,701	108,273
East Lothian Council One Partnership	88,850	88,850
East Lothian Council – Inclusion Support Service	37,199	37,921
East Lothian Council Employability Programme NOLB	24,410	-
BBC Children in Need	26,866	37,480
The Robertson Trust	26,153	11,333
MELDAP / Corra Foundation	27,282	20,708
East Lothian Health & Social Care	11,966	33,034
Gannochy Trust & Small trusts	23,100	30,776
Agnes Hunter Trust/ Chance to Succeed	18,396	8,000
Post Code Trust	5,820	12,793
Musselburgh Area Partnership	-	24,600
Clothworkers' Foundation	-	20,400
Triangle Trust	5,000	-
Small Projects	3,000	6,615
	<hr/>	<hr/>
	403,743	440,783
<i>Unrestricted</i>		
Lothian Homes Trust	217,943	228,965
	<hr/>	<hr/>
Total grants	621,686	669,748
	<hr/> <hr/>	<hr/> <hr/>

3. Donations and legacies

	2023	2022
	£	£
Voluntary income, donations & fundraising on our behalf	11,757	14,665
Sundry income	2,234	-
CJRS grant	-	5,439
Income tax recoverable under Gift Aid Scheme	275	-
	<hr/>	<hr/>
	14,266	20,104
	<hr/> <hr/>	<hr/> <hr/>

Notes to the accounts (continued)

4. Analysis of expenditure on charitable activities

	Direct staff costs £	Resources and beneficiary costs £	Support cost allocation £	Governance cost allocation £	Total 2023 £	Total 2022 £
Service development and strategy	38,645	-	10,394	1,640	50,679	39,594
Skills for Life	76,905	2,357	83,155	13,116	175,533	158,717
Various	-	-	-	-	-	95,066
Education/ Employability	145,399	8,861	31,183	4,918	190,361	171,935
Independent Living	107,174	7,164	23,759	3,747	141,844	-
IT Suite and Covid grants	-	-	-	-	-	47,786
	368,123	18,382	148,491	23,421	558,417	513,098

An analysis of the comparative expenditure for 2021-22 and the breakdown between funds is shown at note 6.

5. Allocation of costs and activities

	<i>Charitable activities</i>			Applying for grants £	Total 2023 £	Total 2022 £
	Support costs £	Governance £	Direct Costs £			
Staff costs *	58,963	14,074	368,123	38,877	480,037	414,308
Beneficiary costs	-	-	18,382	-	18,382	10,399
Property costs	83,047	-	-	-	83,047	110,568
Administration	-	621	-	-	621	321
Bank & payroll	2,722	-	-	-	2,722	3,148
Audit	-	8,726	-	-	8,726	5,730
Depreciation	3,759	-	-	-	3,759	4,571
	148,491	23,421	386,505	38,877	597,294	549,045

*Support staff costs are the salary costs of administrative and management staff which are not directly attributed to charitable and non-charitable activities.

Total payments under operating leases £31,539 (2022: £31,174).

Notes to the accounts (continued)

6. Analysis of expenditure between funds for the year to 31 March 2022

Expenditure	Note	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Year to 31 March 2022
Expenditure on raising funds						
<i>Grant applications</i>	5	(35,947)	-	-	-	(35,947)
Total expenditure in raising funds		(35,947)	-	-	-	(35,947)
Expenditure on charitable activities:	4					
<i>Service development and strategy</i>		(39,594)	-	-	-	(39,594)
<i>IT Suite & Covid grants</i>		-	-	(47,786)	-	(47,786)
<i>Skills for Life</i>		(58,794)	-	(99,923)	-	(158,717)
<i>Way2Work</i>		(14,565)	-	(80,501)	-	(95,066)
<i>Transitions</i>		(77,903)	-	(94,032)	-	(171,935)
Total expenditure on charitable activities		(190,856)	-	(322,242)	-	(513,098)
Total expenditure 2021-22	5,6	(226,803)	-	(322,242)	-	(549,045)

7. Staff costs and numbers

	2023 £	2022 £
Staff costs		
Gross salaries	397,688	343,822
Employer NI costs	35,673	28,720
Employment Allowance	(5,000)	(4,000)
Employer pension costs	38,991	33,559
Travel	9,262	5,553
Conference and training	2,243	5,704
Recruitment	1,180	950
<i>Total staff costs</i>	480,037	414,308

There were no employees who received emoluments in excess of £60,000.

Total key management pay and remuneration was £84,352 (2022: £77,348). This included gross salaries and employer pension contributions of £76,848 and employers national insurance contributions of £7,504. Key management comprises Chief Executive and Finance & Administration Manager.

Notes to the accounts *(continued)*

7. Staff costs and numbers (continued)

Staff numbers

Average number of staff employed during the year:

	FTE	(2022)	
Management, administration and fundraiser	4	4.2	Chief executive, Finance ,manager, Fundraising manager & administrative staff
Skills for Life	1.5	2.7	Support workers (YC) Support workers (MH) & Personal development worker
Independent Living Service	3.3	3.0	Support workers (ILS) Group Worker and Listening Peers Coordinator.
Education & Employability Service	5.1	2.5	EEC coordinator, Employability support workers, Educational support worker & Support worker (ISS)
	13.9	12.4	

Average number of employees on the payroll per month = 17 (2022:16).

Students and Volunteers

No student or volunteer placements took place in this financial year.

8. Trustee remuneration

No remunerations were paid to Trustees in this financial year, or the prior financial year. No Trustees received reimbursement for expenses incurred during the year.

9. Pension scheme

The company operates a Group Self Invested Personal Pension Flexible Retirement Plan with Standard Life. The scheme is fully compliant with the new automatic enrolment regulations. The employer contribution is 10% of gross salary with a minimum employee contribution of 5%.

Notes to the accounts *(continued)*

10. Fixed assets

<i>Equipment</i>	Total £
<i>Cost</i>	
At 1 April 2022	49,143
Additions	-
Disposals	-
	<hr/>
At 31 March 2023	49,143
	<hr/>
<i>Depreciation</i>	
At 1 April 2022	41,997
Charge for year	3,759
Disposals	-
	<hr/>
At 31 March 2023	45,756
	<hr/>
<i>Net book value</i>	
At 31 March 2023	3,387
	<hr/> <hr/>
At 31 March 2022	7,146
	<hr/> <hr/>

11. Debtors

	2023 £	2022 £
Grants and income due	11,307	45,000
Sundry prepayments	8,839	8,877
	<hr/> 20,146	<hr/> 53,877
	<hr/> <hr/>	<hr/> <hr/>

12. Creditors

	2023 £	2022 £
<i>Amounts falling due within one year</i>		
HMRC	9,262	7,662
Sundry Creditors	2,784	2,484
Sundry Accruals	12,035	8,599
Funds held for individuals*	2,485	1,718
Deferred income (note 13)	120,984	105,475
	<hr/> 147,550	<hr/> 125,938
	<hr/> <hr/>	<hr/> <hr/>

* Funds received for and operated on behalf of individual clients. Total amount received during the year was £1,575. Total payments from these funds £807.

Notes to the accounts (continued)

13. Deferred income

	2023 £	2022 £
<i>Amounts falling due within one year</i>		
The Agnes Hunter Trust	6,154	-
MAP Community Fund	7,777	-
Children's Lottery	-	16,550
East Lothian Council Health & Social Care	-	11,966
Post Code Trust	-	5,819
East Lothian Council Housing	4,449	45,000
East Lothian Council Housing – Prevention	30,216	17,427
East Lothian NOLB	12,590	-
MELDAP/ Corra Foundation	17,626	8,713
Bank of Scotland Reach Programme	17,504	-
Robertson Trust (April - November 2022)	10,072	-
Triangle Trust	14,596	-
	<u>120,984</u>	<u>105,475</u>
<i>Movement in deferred income</i>		
	2023 £	2022 £
Balance at 1 April 2022	105,475	52,958
Released in the year	(105,475)	(52,958)
Deferred in the year	120,984	105,475
	<u>120,984</u>	<u>105,475</u>
Balance at 31 March 2023	<u>120,984</u>	<u>105,475</u>

Income is deferred when performance related conditions attached to the income had not been met at the year end.

14. Unrestricted funds 2023

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Unrestricted					
General	368,215	235,661	(251,246)	33,871	386,501
Designated funds					
Fixed assets	6,386	-	-	(2,999)	3,387
Education / Employability	8,850	-	-	5,350	14,200
Practice Manager	45,000	-	(32,115)	32,115	45,000
Agnes Hunter Trust	9,000	-	-	(1,000)	8,000
Total designated funds	<u>69,236</u>	<u>-</u>	<u>(32,115)</u>	<u>33,466</u>	<u>70,587</u>
Total unrestricted funds	<u>437,451</u>	<u>235,661</u>	<u>(283,361)</u>	<u>67,337</u>	<u>457,088</u>

Transfers have been made to designated funds to designate funds and allow for grant payment in arrears to ensure that there are sufficient funds to run projects for the next 12 months.

Notes to the accounts *(continued)*

14. Unrestricted funds 2022

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
<i>Unrestricted</i>					
General	341,355	250,095	(226,803)	3,568	368,215
<i>Designated funds</i>					
Fixed assets	3,078	-	-	3,308	6,386
Skills for Life	5,774	-	-	(5,774)	-
Transitions /EEC	-	-	-	8,850	8,850
Practice Manager	9,000	-	-	36,000	45,000
Group Work	10,000	-	-	(10,000)	-
Agnes Hunter Trust	9,000	-	-	-	9,000
<i>Total designated funds</i>	36,852	-	-	32,384	69,236
<i>Total unrestricted funds</i>	378,207	250,095	(226,803)	35,952	437,451

Notes to the accounts (continued)

15. Restricted funds 2023

<i>Restricted</i>	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing Balance £	Restriction
Donations, various	5,638	-	-	-	5,638	Direct beneficiary costs
East Lothian Council Housing Service (Homemaker)	12,113	60,484	(39,909)	(15,000)	17,688	Skills for Life
East Lothian Council Housing Service Prevention	33,672	45,217	(32,117)	(20,000)	26,772	Skills for Life
East Lothian One Partnership	11,275	88,850	(64,031)	(25,000)	11,094	Education & Employability
East Lothian Council Housing Service Fund	7,064	-	-	-	7,064	For specific independent living costs
East Lothian Health & Social Care	16,743	11,966	(13,461)	-	15,248	Skills for Life
East Lothian Council Inclusion Support Service	4,074	37,199	(15,218)	(10,000)	16,055	Education & Employability
East Lothian Employability Programme NOLB	-	24,410	(18,121)	(3,059)	3,230	Education & Employability
Gannochy Trust & Small trusts	-	23,100	(23,735)	635	-	Education & Employability
BBC Children in Need	15,081	26,866	(28,657)	-	13,290	Skills for Life
MELDAP/ Corra Foundation	13,968	27,282	(23,002)	-	18,248	Skills for Life
Agnes Hunter Trust	-	18,396	(24,454)	9,000	2,942	Skills for Life
Musselburgh Area partnership	1,857	-	-	(,721)	136	Get Connected
Postcode Trust	3,753	5,820	(6,584)	-	2,989	Education & Employability
Various sources for specific group activities	1,564	-	-	-	1,564	Specific group activities
Robertson Trust	-	26,153	(23,226)	-	2,927	Education & Employability
Small Projects & Covid 19 Response Grants	8,756	3,000	-	(2,192)	9,564	Small projects
Triangle Trust	-	5,000	(1,418)	-	3,582	Education & Employability
Restricted income funds	135,557	403,743	(313,933)	(67,337)	158,030	
Restricted endowment funds	65,000	-	-	-	65,000	
Total restricted funds	200,557	403,743	(313,933)	(67,337)	223,030	

Transfers have been made out of restricted funds to unrestricted funds on completion of projects where contracts have been fulfilled and from unrestricted funds to cover deficits on completion of contracts.

Notes to the accounts (continued)

15. Restricted funds 2022

<i>Restricted</i>	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing Balance £	Restriction
Donations, various	5,638	-	-	-	5,638	Direct beneficiary costs
East Lothian Council Housing Service (Homemaker)	5,907	45,700	(24,494)	(15,000)	12,113	Skills for Life
East Lothian Council Housing Service Prevention	-	62,573	(13,901)	(15,000)	33,672	Skills for Life
East Lothian One Partnership	11,689	88,850	(64,264)	(25,000)	11,275	Way2Work
East Lothian Council Housing Service Fund	7,064	-	-	-	7,064	For specific independent living costs
East Lothian Health & Social Care	-	33,034	(16,291)	-	16,743	Transitions
East Lothian Council Inclusion Support Service	4,165	37,921	(34,220)	(3,792)	4,074	Transitions
Gannochy Trust	-	21,751	(27,119)	5,368	-	Way2Work
BBC Children in Need	10,157	37,480	(32,556)	-	15,081	Transitions
MELDAP	-	20,708	(6,740)	-	13,968	Skills for Life
Agnes Hunter Trust	-	8,000	(16,237)	8,237	-	Skills for Life
Musselburgh Area partnership	-	24,600	(22,744)	-	1,856	Get Connected
Clothworkers'	-	20,400	(20,400)	-	-	Get Connected
Postcode Trust	-	12,793	(9,040)	-	3,753	Transitions
Various sources for specific group activities	1,564	-	-	-	1,564	Specific group activities
Robertson Trust	-	11,333	(20,568)	9,235	-	Skills for Life, tutor fees
Small Projects & Covid 19 Response Grants	6,784	6,615	(4,643)	-	8,756	Skills for Life
Bank of Scotland Reach programme	-	9,025	(9,025)	-	-	Transitions
Restricted income funds	52,968	440,783	(322,242)	(35,952)	135,557	
Restricted endowment funds	65,000	-	-	-	65,000	
Total restricted funds	117,968	440,783	(322,242)	(35,952)	200,557	

Transfers have been made out of restricted funds to unrestricted funds on completion of projects where contracts have been fulfilled and from unrestricted funds to cover deficits on completion of contracts.

Notes to the accounts (continued)

16. Analysis of net assets between funds 2023

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Fixed assets	-	3,387	-	-	3,387
Net current assets	386,501	67,200	158,030	65,000	676,731
	<u>386,501</u>	<u>70,587</u>	<u>158,030</u>	<u>65,000</u>	<u>680,118</u>

Analysis of net assets between funds 2022

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £
Fixed assets	-	6,386	-	-	6,386
Net current assets	368,215	62,850	135,557	65,000	631,622
	<u>368,215</u>	<u>69,236</u>	<u>135,557</u>	<u>65,000</u>	<u>638,008</u>

17. Commitments

Total future minimum lease payments under non-cancellable operating leases for each of the periods are as follows:

	2023		2022	
	Land and buildings £	Other £	Land and buildings £	Other £
<i>Less than one year.</i>	31,000	539	31,000	539
<i>In two to five years.</i>	124,000	-	93,000	673
Total	<u>155,000</u>	<u>539</u>	<u>124,000</u>	<u>1,212</u>

18. Controlling party

The charitable company is constituted under its Memorandum and Articles of Association and is managed by its elected directors.



Certificate Summary

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