

Charity no. SC046025

The Lens
Report and Audited Financial Statements
31 March 2021

The Lens

Reference and administrative details

For the period ended 31 March 2021

| | | |
|--|---|--|
| Charity number | SC046025 | |
| Registered office and operational address | Robertson House 152 Bath Street Glasgow G2 4TB | |
| Chair | Maria McGill Ken Barclay | Appointed Chair, 26 August 2021 Stepped down as Chair, 26 August 2021 |
| Trustees | Trustees who served during the year and up to the date of this report were as follows: | |
| | Ken Barclay | Interim Treasurer |
| | Margaret Gibson | |
| | Maria McGill | Appointed 24 February 2021 |
| | James Muldoon | |
| | Pam Simmons | Resigned 26 August 2020 |
| | Callum Stewart | |
| | Janice West | |
| Chief executive officer | Steve McCreadie | |
| Bankers | The Co-Operative Bank Plc Skelmersdale WN8 6WT | |
| Auditors | Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD | |

The Lens

Report of the trustees

For the period ended 31 March 2021

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Purpose, Objectives and Activities

Purpose

The Lens' purpose is to improve people's lives through intrapreneurship.

Objectives

The objectives of The Lens are:

1. Advance citizenship and/or community development by supporting other charities to improve their own capability and capacity through, amongst other services, education, support, guidance and innovation;
2. Enhance, encourage and enable innovation and intrapreneurship within the charities sector;
3. Increase intrapreneurial mind sets, behaviours and skills; and
4. Disseminate learning about innovation and intrapreneurship.

Activities

The Lens conducts the following activities to deliver our purpose and objectives:

- Delivery of our flagship Intrapreneurship Programmes;
- Delivery of other workshops, programmes and courses;
- Support the development of our team;
- Sales and marketing; and
- Development of new products and services.

Achievements and Performance

I am delighted to present our Audited Accounts which represents the fifth full operating year of The Lens. The report covers the period 6 April 2020 to 31 March 2021. We are proud of the success we have achieved during 2020-21, particularly in light of the challenges faced during the global pandemic.

As Chair, I would also like to thank Jane Whitworth who became Acting CEO during the first five months of the financial year whilst Steve McCreadie took time off for medical leave. She stewarded the organisation through the first lockdown and helped us adapt our delivery model from a face to face to a digital one.

It is important to highlight the strength of the culture the Board and the team had built since our inception in 2015. Without our shared sense of purpose, alignment of values and commitment to our hallmarks, navigating the myriad of challenges that covid presented would have been a great deal more demanding.

The Lens

Report of the trustees

For the period ended 31 March 2021

I am proud that we responded to the pandemic with a clear offer of support to the third and public sector. Our Labs – short, free to attend workshops covering topics such as Storytelling and Resilience in Time of Change – were very popular with 760 spaces booked by 533 individuals across 77 workshops. We have built on this success and broadened our offer which now includes our Funders+ Programme and our Business Development Programmes. They sit alongside our well established Intrapreneurship Programme, helping us achieve our purpose of improving people's lives through intrapreneurship.

We continue to work closely with the Scottish Government, aligning well with a number of different priorities, the National Performance Framework and we are proud to support Scotland CAN DO.

I would like to extend my thanks to the Scottish Government, William Grant Foundation, Robertson Trust and our team of Ambassadors who have all contributed to our growth and success in the past year. Also, to my fellow Board members, Ken Barclay, Margaret Gibson OBE, Callum Stuart, Janice West and James Muldoon whose support and insight in our governance is hugely valued.

Whilst this report covers the period until the 31 March 2021 its important to acknowledge that in August 2021, Ken Barclay stepped down as Chair after six years. Ken was the inaugural Chair of The Lens and has provided great insight and guidance whilst also building strong governance and leadership. On behalf of the Board and The Lens team I would like to say an enormous thank you to Ken. I am delighted he will continue as interim treasurer for the time being.

It is now my great pleasure to take over as Chair. Whilst CEO at Children's Hospices Across Scotland, I have experienced the incredible impact The Lens can have. I very much look forward to working with the Board and The Lens team in our next exciting phase.

I want to take this opportunity to note the enormous commitment of the Lens team and in particular that of Steve McCreadie whose vision and determination have led the organisation to the successes it has achieved.

The Lens will continue to demonstrate its value and impact and we have ambitions to grow further, releasing the creativity and talent locked inside other charitable organisations to improve people's lives. I am excited to see what successes lie ahead .

Maria McGill
Chair, The Lens

The Lens

Report of the trustees

For the period ended 31 March 2021

Financial Review

The Lens Reserve Policy is that we hold a minimum three months expenditure, which is calculated to be £90,894. At 31 March 2021, the charity held unrestricted general funds of £103,659 (2020: £84,274), slightly in excess of this policy.

The Lens 2018-21 Strategy states that we aim to be financially sustainable and able to work in partnership with, but independent of Scottish Government grant. In line with this ambition we will look to hold a minimum of six months operating expenses as soon as practically possible whilst also balancing the need to invest in our growth as an organisation.

The CEO will update the Board on our reserves position at every meeting when presenting the finance papers. If reserves fall below the expected level an action plan will be put in place.

Future Plans

The Lens continues to deliver on its mission of improving people's lives through intrapreneurship: building a community of change-makers that inspire and influence others to think and see differently. Through experience in diverse organisations, we know that those closest to the problems faced by our customers often have the best solutions. Intrapreneurship unlocks that potential.

We will continue to build on our shift to a digital first delivery model and leverage this change to grow our impact. This will be achieved by continuing to deliver our flagship Intrapreneurship Programmes as well as our other workshops, programmes and courses. Work is also well underway to develop a high-quality digital Intrapreneurship Platform that will:

- Host learning experiences;
- Promote collaboration across Scotland and beyond; and
- Showcase innovation and connect to potential investors.

This will engage people through a distinctive combination of coaching, facilitation, learning experiences and self-service activities. Its purpose is to drive social innovation by developing the intrapreneurial skills of staff and organisations in the third and public sectors across UK and beyond.

The foundations we have laid during the 2020-21 financial year will help drive the next stage of our growth, ensuring we improve many more people's lives through intrapreneurship.

Organisational structure

The Trustees agree the strategy of the Trust and areas of activity for the Trust, including considering risk management, policies and performance. The day to day administration of charity's, expenditure including payments, the account function and general Trust administration is overseen by Steve McCreadie - Chief Executive.

The Lens

Report of the trustees

For the period ended 31 March 2021

The Trustees who held office during the year under review were:

- K Barclay;
- M Gibson;
- C Stuart;
- J West;
- J Muldoon; and
- M McGill (appointed 24 February 2021).

Recruitment, induction and training of new trustees

When looking to appoint new Trustees, the Board may choose to use an open recruitment process or utilise their existing network and make recommendations to the Chair. The Chair will interview prospective Trustees and make recommendations which will be ratified by the Board.

All new Trustees will receive an induction to their role. This includes information on their obligations under charity law, as well as the contents of the trust deed. Trustees are also provided with a copy of the Office of Scottish Charity Regulator's (OSCR) 'Guidance for Charity Trustees'.

Funds held as custodian for others

No funds were held as custodian for other during the period ended 31 March 2021.

Public benefit

The Lens is constituted as a charity with its charitable objects stated as 'the advancement of citizenship or community development'.

We do this by working with charities and others to find and develop ideas that are turned into actions that improve lives. In this way, we confer public benefit. Examples of these are new initiatives that have helped support children in need of paediatric palliative care, improved wellbeing of people living with dementia and supporting excluded young people.

Risk management

The Lens is a small but growing charity with a robust approach to managing risk. It has a risk management policy in place and agreed by Board. Whilst day to day management of risk and mitigation are delegated to the CEO, the Board have ultimate responsibility.

The Trustees have overall responsibility for ensuring that the organisation operates an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

- The charity is operating efficiently and effectively;
- Proper records are maintained and financial information, used within the charity or for publication, is reliable; and
- The charity complies with relevant laws and regulations.

The Lens uses a weighted measurement to assess each risk as recommended by the Charity Commission.

Risks are identified by both the CEO and the Board and logged via the risk register. The register is regularly reviewed at Board meetings to monitor the effectiveness of the control systems in place.

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Report of the trustees

For the period ended 31 March 2021

The top three risks and mitigants are:

Risk: Failure to meet financial projections

Mitigants

- Monthly review of marketing activity, sales and budget with escalation to Board where necessary;
- Review of Finance Papers and Opportunities Report at each Board meeting;
- Build delivery capacity to allow CEO to spend more time on sales;
- Effectively manage relationship with Scottish Government; and
- Secure diversified income streams.

Risk: Increased competitive environment

Mitigants

- Regular review of competitive landscape;
- Clear articulation of our mission and charitable status;
- Continued focus on continuous improvement; and
- Clear communication of the impact of The Lens.

Risk: Non-compliance with regulation and legislation

Mitigants

- Identify key legal and regulatory requirements;
- Allocate responsibility for key compliance procedures;
- Accountants in place to provide support and guidance where required;
- Regularly monitor any changes in regulation and/or legislation;
- Management attend seminars and workshops where necessary;
- Policy Handbook in place and communicated to staff with periodic review; and
- CEO to report any legislative changes that impact The Lens.

Statement of responsibilities of the trustees

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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Report of the trustees

For the period ended 31 March 2021

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were appointed as auditors to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 16 December 2021 and signed on their behalf by

Maria McGill

Maria McGill - Chair

Independent auditors' report

To the trustees of

The Lens

Opinion

We have audited the financial statements of The Lens (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Independent auditors' report

To the trustees of

The Lens

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity 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 the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our 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 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.

Independent auditors' report

To the trustees of

The Lens

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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Independent auditors' report

To the trustees of

The Lens

Use of our report

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

Godfrey Wilson Limited

Date: 17 December 2021

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Lens

Statement of financial activities

For the period ended 31 March 2021

| | Note | Restricted £ | Unrestricted £ | 2021 Total £ | Restated 2020 Total £ |
|---|------|----------------------|-----------------------|------------------------------|--------------------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | - | 291,762 | 291,762 | 275,000 |
| Other trading activities | 4 | - | 97,527 | 97,527 | 249,879 |
| Total income | | <u>-</u> | <u>389,289</u> | <u>389,289</u> | <u>524,879</u> |
| Expenditure on: | | | | | |
| Raising funds | | - | 86,589 | 86,589 | 62,122 |
| Charitable activities | | <u>(6,327)</u> | <u>283,315</u> | <u>276,988</u> | <u>463,730</u> |
| Total expenditure | 6 | <u>(6,327)</u> | <u>369,904</u> | <u>363,577</u> | <u>525,852</u> |
| Net income / (expenditure) and net movement in funds | 7 | 6,327 | 19,385 | 25,712 | (973) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | <u>20,000</u> | <u>84,274</u> | <u>104,274</u> | <u>105,247</u> |
| Total funds carried forward | | <u><u>26,327</u></u> | <u><u>103,659</u></u> | <u><u>129,986</u></u> | <u><u>104,274</u></u> |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the accounts.

The 2020 comparatives have been restated, as disclosed in note 19 to the accounts.

The Lens

Balance sheet

As at 31 March 2021

| | Note | £ | 2021 £ | Restated 2020 £ |
|---|------|-----------------|-----------------|-----------------------|
| Fixed assets | | | | |
| Tangible assets | 10 | | 18,569 | 19,669 |
| Current assets | | | | |
| Debtors | 11 | 114,820 | | 67,635 |
| Cash at bank and in hand | | <u>80,990</u> | | <u>132,776</u> |
| | | 195,810 | | 200,411 |
| Liabilities | | | | |
| Creditors: amounts falling due within 1 year | 12 | <u>(40,134)</u> | | <u>(58,200)</u> |
| Net current assets | | | <u>155,676</u> | <u>142,211</u> |
| Total assets less current liabilities | | | 174,245 | 161,880 |
| Creditors: amounts falling due after more than 1 year | 13 | | <u>(44,259)</u> | <u>(57,606)</u> |
| Net assets | 15 | | <u>129,986</u> | <u>104,274</u> |
| Funds | 16 | | | |
| Restricted funds | | | 26,327 | 20,000 |
| Unrestricted funds | | | | |
| General funds | | | <u>103,659</u> | <u>84,274</u> |
| Total charity funds | | | <u>129,986</u> | <u>104,274</u> |

The 2020 comparatives have been restated, as disclosed in note 19 to the accounts.

Approved by the trustees on 16 December 2021 and signed on their behalf by

Maria McGill

Maria McGill - Chair

The Lens

Statement of cash flows

For the period ended 31 March 2021

| | 2021 £ | Restated 2020 £ |
|---|-----------------|-----------------------|
| Cash used in operating activities: | | |
| Net movement in funds | 25,712 | (973) |
| Adjustments for: | | |
| Depreciation charges | 8,587 | 5,414 |
| Increase in debtors | (47,186) | (4,176) |
| Decrease in creditors | (24,018) | (284) |
| Net cash provided by / (used in) operating activities | (36,905) | (19) |
| Cash flows from investing activities: | | |
| Loss on disposal of tangible fixed assets | 2,279 | - |
| Purchase of tangible fixed assets | (9,766) | (15,051) |
| Net cash provided by / (used in) investing activities | (7,487) | (15,051) |
| Cash flows from financing activities: | | |
| Repayment of borrowing | (7,394) | - |
| Cash inflows from new borrowing | - | 65,000 |
| Net cash provided in / (used in) financing activities | (7,394) | 65,000 |
| Increase / (decrease) in cash and cash equivalents in the year | (51,786) | 49,930 |
| Cash and cash equivalents at the beginning of the year | 132,776 | 82,846 |
| Cash and cash equivalents at the end of the year | 80,990 | 132,776 |

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Notes to the financial statements

For the period ended 31 March 2021

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Lens meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the COVID-19 pandemic has had a profound impact on the global economy, and has in turn affected the charity. The trustees have considered the impact of this issue on the charitable company's current and future financial position. The charity holds unrestricted, general reserves of £103,659 and a cash balance of £80,990. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

d) 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 bank.

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

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Notes to the financial statements

For the period ended 31 March 2021

1. Accounting policies (continued)

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis, based on staff costs:

| | 2021 | Restated 2020 |
|-----------------------|-------|------------------|
| Raising funds | 23.6% | 15.1% |
| Charitable activities | 76.4% | 84.9% |

h) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|--------------------|---------|
| Computer equipment | 3 years |
| Office equipment | 4 years |

i) Debtors

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

j) Cash at bank and in hand

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

k) Creditors

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

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Notes to the financial statements

For the period ended 31 March 2021

1. Accounting policies (continued)

l) 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 recognised at amortised cost using the effective interest method.

m) Pension costs

The charity operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

n) Accounting estimates and key judgements

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1g to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

2. Prior period comparatives: statement of financial activities

| | Restricted £ | Unrestricted £ | Restated 2020 Total £ |
|---|-----------------|-------------------|--------------------------------|
| Income from: | | | |
| Donations and legacies | 50,000 | 225,000 | 275,000 |
| Other trading activities | - | 249,879 | 249,879 |
| Total income | 50,000 | 474,879 | 524,879 |
| Expenditure on: | | | |
| Raising funds | - | 62,122 | 62,122 |
| Charitable activities | 70,086 | 393,644 | 463,730 |
| Total expenditure | 70,086 | 455,766 | 525,852 |
| Net income / (expenditure) and net movement in funds | (20,086) | 19,113 | (973) |

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Notes to the financial statements

For the period ended 31 March 2021

3. Income from donations and legacies

| | Restricted £ | Unrestricted £ | 2021 Total £ |
|---|-----------------|-------------------|--------------------------------|
| Scottish Government | - | 150,000 | 150,000 |
| Scottish Enterprise | - | 63,958 | 63,958 |
| William Grant | - | 40,000 | 40,000 |
| Coronavirus Job Retention Scheme | - | 37,804 | 37,804 |
| Total income from donations and legacies | - | 291,762 | 291,762 |
| Prior period comparative: | | | Restated 2020 Total £ |
| | Restricted £ | Unrestricted £ | |
| Scottish Government | - | 225,000 | 225,000 |
| William Grant | 50,000 | - | 50,000 |
| Total income from donations and legacies | 50,000 | 225,000 | 275,000 |

4. Income from other trading activities

| | Restricted £ | Unrestricted £ | 2021 Total £ | 2020 Total £ |
|-------|-----------------|-------------------|--------------------|--------------------|
| Sales | - | 97,527 | 97,527 | 249,879 |

All income from other trading activities was unrestricted in the prior year

5. Government grants

The charity receives government grants, defined as funding from Scottish Government, Scottish Enterprise and the Coronavirus Job Retention Scheme to fund charitable activities. The total value of such grants in the period ending 31 March 2021 was £251,762 (2020: £225,000). There are no unfulfilled conditions or contingencies attaching to these grants in 2020/21.

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Notes to the financial statements

For the period ended 31 March 2021

6. Total expenditure

| | Raising funds £ | Charitable activities £ | Support and governance costs £ | 2021 Total £ |
|--|----------------------|----------------------------|-----------------------------------|-----------------------|
| Other operating leases | - | - | 5,469 | 5,469 |
| Advertising and marketing | 2,244 | 5,615 | - | 7,859 |
| Bank charges | - | - | 84 | 84 |
| Wages (note 8) | 61,524 | 199,697 | 34,823 | 296,044 |
| Accountancy | - | - | 7,188 | 7,188 |
| Other staff costs | - | - | 9,121 | 9,121 |
| Insurance | - | - | 2,417 | 2,417 |
| Telephone | - | - | 1,597 | 1,597 |
| Printing, post and stationery | - | - | 1,248 | 1,248 |
| Travel and subsistence | - | 588 | - | 588 |
| Staff training | - | - | 8,474 | 8,474 |
| Computer costs | - | - | 4,133 | 4,133 |
| Rent | - | - | 4,075 | 4,075 |
| Professional fees | - | - | 1,975 | 1,975 |
| Subscriptions | - | - | 965 | 965 |
| Direct delivery costs | - | 3,070 | - | 3,070 |
| Product development | - | 271 | - | 271 |
| Depreciation | - | - | 8,587 | 8,587 |
| Return of unspent funds | - | (6,327) | - | (6,327) |
| Finance costs | - | - | 4,460 | 4,460 |
| Loss on disposal | - | - | 2,279 | 2,279 |
| Sub-total | 63,768 | 202,914 | 96,895 | 363,577 |
| Allocation of support and governance costs | <u>22,821</u> | <u>74,074</u> | <u>(96,895)</u> | <u>-</u> |
| Total expenditure | <u>86,589</u> | <u>276,988</u> | <u>-</u> | <u>363,577</u> |

Total governance costs were £4,800 (2020: £4,500)

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Notes to the financial statements

For the period ended 31 March 2021

6. Total expenditure

| Prior period comparative | Raising funds £ | Charitable activities £ | Support and governance costs £ | Restated 2020 Total £ |
|--|--------------------|----------------------------|-----------------------------------|--------------------------|
| Other operating leases | - | - | 5,142 | 5,142 |
| Advertising and marketing | 1,483 | 10,234 | - | 11,717 |
| Bank charges | - | - | 26 | 26 |
| Wages (note 8) | 43,166 | 242,022 | 17,265 | 302,453 |
| Other staff costs | - | - | 8,081 | 8,081 |
| Accountancy | - | - | 10,009 | 10,009 |
| Insurance | - | - | 1,684 | 1,684 |
| Telephone | - | - | 1,684 | 1,684 |
| Printing, post and stationery | - | - | 3,575 | 3,575 |
| Travel and subsistence | - | 34,330 | - | 34,330 |
| Staff training | - | - | 37,744 | 37,744 |
| Computer costs | - | - | 5,109 | 5,109 |
| Rent | - | - | 10,111 | 10,111 |
| Professional fees | - | - | 8,482 | 8,482 |
| Subscriptions | - | - | 1,120 | 1,120 |
| Direct delivery costs | - | 49,171 | - | 49,171 |
| Product development | - | 30,000 | - | 30,000 |
| Depreciation | - | - | 5,414 | 5,414 |
| Sub-total | 44,649 | 365,757 | 115,446 | 525,852 |
| Allocation of support and governance costs | 17,473 | 97,973 | (115,446) | - |
| Total expenditure | 62,122 | 463,730 | - | 525,852 |

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Notes to the financial statements

For the period ended 31 March 2021

7. Net movement in funds

This is stated after charging:

| | 2021 | 2020 |
|-----------------------------------|--------------|----------|
| | £ | £ |
| Depreciation | 8,587 | 5,414 |
| Operating lease payments | 11,684 | 10,854 |
| Trustees' remuneration | Nil | Nil |
| Trustees' reimbursed expenses | Nil | 104 |
| Auditors' remuneration: | | |
| ▪ Statutory audit (including VAT) | 4,800 | 4,500 |
| ▪ Other services | 2,400 | - |
| | <u>2,400</u> | <u>-</u> |

8. Staff costs and numbers

Staff costs were as follows:

| | 2021 | Restated 2020 |
|-----------------------|----------------|------------------|
| | £ | £ |
| Salaries and wages | 249,126 | 258,352 |
| Social security costs | 27,856 | 26,408 |
| Pension costs | 19,062 | 17,693 |
| | <u>296,044</u> | <u>302,453</u> |

One employee earned between £80,000 and £90,000 during the year (2020: one employee, £70,000-£80,000).

The key management personnel of the charitable company comprise the Trustees and the Chief Executive Officer. The total employee benefits of the key management personnel were £86,472 (2020: £76,145).

| | 2021 | 2020 |
|--------------------|------------|------------|
| | No. | No. |
| Average head count | <u>8.0</u> | <u>9.0</u> |

Total redundancy costs during the year were £407 (2020: £nil). This amount has been accrued as of 31 March 2021 and was paid in April 2021.

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Lens

Notes to the financial statements

For the period ended 31 March 2021

10. Tangible fixed assets

| | Office Equipment £ | Computer equipment £ | Total £ |
|--|--------------------------|----------------------------|----------------|
| Cost | | | |
| At 6 April 2020 (restated) | 4,559 | 45,560 | 50,119 |
| Additions in year | - | 9,766 | 9,766 |
| Disposals | <u>(4,559)</u> | <u>-</u> | <u>(4,559)</u> |
| At 31 March 2021 | <u>-</u> | <u>55,326</u> | <u>55,326</u> |
| Depreciation | | | |
| At 6 April 2020 | 2,280 | 28,170 | 30,450 |
| Charge for the year | - | 8,587 | 8,587 |
| On disposals | <u>(2,280)</u> | <u>-</u> | <u>(2,280)</u> |
| At 31 March 2021 | <u>-</u> | <u>36,757</u> | <u>36,757</u> |
| Net book value At 31 March 2021 | <u>-</u> | <u>18,569</u> | <u>18,569</u> |
| At 5 April 2020 (restated) | <u>2,279</u> | <u>17,390</u> | <u>19,669</u> |

Computer equipment has been restated for the capitalisation of £12,075 of website development. This amount was work in progress until August 2020, and so was not depreciated in the prior period.

11. Debtors

| | 2021 £ | 2020 £ |
|----------------|----------------|---------------|
| Trade debtors | 21,827 | 44,629 |
| Prepayments | 1,879 | 1,431 |
| Other debtors | 16,114 | 21,575 |
| Accrued income | <u>75,000</u> | <u>-</u> |
| | <u>114,820</u> | <u>67,635</u> |

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Notes to the financial statements

For the period ended 31 March 2021

12. Creditors: amounts due within 1 year

| | 2021 | Restated |
|------------------------------------|----------------------|----------------------|
| | £ | 2020 |
| | | £ |
| Trade creditors | - | 33 |
| Accruals | 19,158 | 30,689 |
| Other taxation and social security | 7,629 | 6,660 |
| Deferred income (see note 14) | - | 13,424 |
| Bank loan | 13,347 | 7,394 |
| | <u>40,134</u> | <u>58,200</u> |

13. Creditors: amounts falling due after more than one year

| | 2021 | Restated |
|-----------|----------------------|----------------------|
| | £ | 2020 |
| | | £ |
| Bank loan | <u>44,259</u> | <u>57,606</u> |

Included within creditors in note 12 and 13 is a bank loan from the Charities Aid Foundation. The fixed interest rate is 6.5%, and the loan is repayable in full no later than 28 February 2025.

14. Deferred income

| | 2021 | 2020 |
|--------------------------|------------------------|------------------------|
| | £ | £ |
| At 5 April 2020 | 13,424 | 23,678 |
| Deferred during the year | - | 13,424 |
| Released during the year | <u>(13,424)</u> | <u>(23,678)</u> |
| At 31 March 2021 | <u>-</u> | <u>13,424</u> |

Deferred income relates to training programmes invoiced in advanced of delivery.

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Notes to the financial statements

For the period ended 31 March 2021

15. Analysis of net assets between funds

| | Restricted funds £ | Unrestricted funds £ | Total funds £ |
|---------------------------------------|--------------------------|----------------------------|------------------------------|
| Tangible fixed assets | - | 18,569 | 18,569 |
| Current assets | 26,327 | 169,483 | 195,810 |
| Creditors due within one year | - | (40,134) | (40,134) |
| Creditors due in more than one year | - | (44,259) | (44,259) |
| Net assets as at 31 March 2021 | <u>26,327</u> | <u>103,659</u> | <u>129,986</u> |
| | | | Restated |
| Prior period comparative | Restricted funds £ | Unrestricted funds £ | Total funds £ |
| Tangible fixed assets | - | 19,669 | 19,669 |
| Current assets | 20,000 | 180,411 | 200,411 |
| Creditors due within one year | - | (58,200) | (58,200) |
| Creditors due in more than one year | - | (57,606) | (57,606) |
| Net assets as at 6 April 2020 | <u>20,000</u> | <u>84,274</u> | <u>104,274</u> |

The Lens

Notes to the financial statements

For the period ended 31 March 2021

16. Movements in funds

| | Restated at 6 April 2020 £ | Income £ | Expenditure £ | At 31 March 2021 £ |
|---------------------------------|-------------------------------------|-----------------------|-------------------------|------------------------------|
| Restricted funds | | | | |
| Robertson Trust | - | - | 6,327 | 6,327 |
| William Grant Foundation | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>20,000</u> |
| Total restricted funds | <u>20,000</u> | <u>-</u> | <u>6,327</u> | <u>26,327</u> |
| Unrestricted funds | | | | |
| General funds | <u>84,274</u> | <u>389,289</u> | <u>(369,904)</u> | <u>103,659</u> |
| Total unrestricted funds | <u>84,274</u> | <u>389,289</u> | <u>(369,904)</u> | <u>103,659</u> |
| Total funds | <u><u>104,274</u></u> | <u><u>389,289</u></u> | <u><u>(363,577)</u></u> | <u><u>129,986</u></u> |

Purposes of restricted funds

| | |
|--------------------------|---|
| Robertson Trust | Funds received for the purpose of providing innovation funds for the charities with whom we work. |
| William Grant Foundation | Funds received for the purpose of providing innovation funds for the charities with whom we work. |
| National Lottery | Represents the residual balance of a grant received for evaluation work, fully spent in 2019-20. |

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Notes to the financial statements

For the period ended 31 March 2021

16. Movements in funds (continued)

| Prior period comparative | At 6 April 2019 £ | Income £ | Expenditure £ | Restated at 5 April 2020 £ |
|---------------------------------|-------------------------|----------------|------------------|----------------------------------|
| Restricted funds | | | | |
| National Lottery | 86 | - | (86) | - |
| Robertson Trust | 10,000 | - | (10,000) | - |
| William Grant Foundation | 30,000 | 50,000 | (60,000) | 20,000 |
| Total restricted funds | <u>40,086</u> | <u>50,000</u> | <u>(70,086)</u> | <u>20,000</u> |
| Unrestricted funds | | | | |
| General funds | 65,161 | 474,879 | (455,766) | 84,274 |
| Total unrestricted funds | <u>65,161</u> | <u>474,879</u> | <u>(455,766)</u> | <u>84,274</u> |
| Total funds | <u>105,247</u> | <u>524,879</u> | <u>(525,852)</u> | <u>104,274</u> |

17. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

| | 2021 £ | Restated 2020 £ |
|---------------------|---------------|-----------------------|
| Amount falling due: | | |
| Within 1 year | 11,077 | 8,383 |
| In more than 1 year | 2,358 | 5,419 |
| | <u>13,435</u> | <u>13,802</u> |

18. Analysis of changes in net debt

| | At 6 April 2020 | Cash flows | Other non- cash movements | At 31 March 2021 |
|---------------------------------|--------------------|-----------------|---------------------------------|---------------------|
| Cash | 132,776 | (51,786) | - | 80,990 |
| | 132,776 | (51,786) | - | 80,990 |
| Loans falling due within 1 year | (7,394) | 7,394 | (13,347) | (13,347) |
| Loans falling due after 1 year | (57,606) | - | 13,347 | (44,259) |
| Total | <u>67,776</u> | <u>(44,392)</u> | <u>-</u> | <u>23,384</u> |

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Notes to the financial statements

For the period ended 31 March 2021

19. Restatements

The prior period comparatives have been restated following a change in accounting policy. Rather than deferring restricted grant income in line with expenditure, restricted grant income is now recognised either when the cash is physically received, or in advance of payment when income recognition is deemed to be met - whichever comes earlier.

This has impacted prior period restricted income, prior period deferred income and total funds brought forward to 6 April 2020 as follows:

| Deferred income | 2020 £ |
|--|------------------|
| Total deferred income per original accounts: | 33,424 |
| Deferral of restricted grant income in 2020: | 20,000 |
| Recognition of restricted grant income in periods prior to 2020: | <u>(40,000)</u> |
| Total deferred income after restatement: | <u>13,424</u> |

Restricted funds brought / carried forward

Due to the reversal of deferred income balances in periods prior to 2020, the carried forward restricted fund balances have also been restated, as follows:

| | 2020 £ | 2019 £ |
|---|------------------|----------------|
| Total restricted funds carried forward per original accounts: | 6,652 | 6,738 |
| Reversals of deferrals in periods prior to 2020: | 40,000 | 40,000 |
| Net effect of reversal of deferred income in 2020: | (20,000) | - |
| Removal of errors | <u>(6,652)</u> | <u>(6,652)</u> |
| Total restricted funds carried forward after restatement: | <u>20,000</u> | <u>40,086</u> |

Income

Total income recognised in 2020 has therefore been affected as follows:

| | Income from donations and legacies 2020 £ |
|--|---|
| Income recognised per original accounts: | 295,000 |
| Net effect of above restatements: | <u>(20,000)</u> |
| Restated income: | <u>275,000</u> |

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Notes to the financial statements

For the period ended 31 March 2021

19. Restatements (continued)

Holiday pay accrual and expenditure

The comparatives have also been restated for the inclusion of a holiday pay accrual. This has resulted in a net increase in accruals at 5 April 2020 of £23,668 and a net decrease in expenditure of £5,344. The difference relates to the recognition and reversal of previous accruals, recognised in periods before 6 April 2019.

Fixed assets

Fixed assets have been restated for the capitalisation of £12,075 of website development. This amount was work in progress until August 2020, and so was not depreciated in the prior period.

Expenditure classifications

Expenditure has also been restated for classification only. Total expenditure has not been impacted.

20. Change in accounting period

The current period comprises a period of slightly less (5 days) than a full year, from 6 April to 31 March 2021. The prior period comprises a full year between 6 April 2019 and 5 April 2020.

This has not been notated for each note to the financial statements, as the periods are deemed to be materially comparable.

The accounting period was changed to simplify accounting processes only.

21. Related party transactions

There were no related party transactions in the current or prior period.