

**EVALUATION SUPPORT SCOTLAND  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

**Scottish Charity no: SC036529  
Company no: SC284843**

## **EVALUATION SUPPORT SCOTLAND**

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## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' Annual Report for the year ending 31 March 2021**

#### **Legal and administrative information**

Evaluation Support Scotland is a charitable company. It was incorporated on 16 May 2005 as a company limited by guarantee. It received recognition as a Scottish Charity on 16 May 2005. It is governed by a Memorandum and Articles of Association.

#### **Registered office and Principal address**

Thorn House  
5 Rose Street  
Edinburgh  
EH2 2PR

#### **Trustees**

Andrew Fleming – Convenor  
Dr Kevin Guyan – Deputy Convenor  
Professor Karen McArdle – Deputy Convenor  
Janet Morton – Treasurer (resigned 14 September 2020)  
Ricki McLaughlin – Treasurer (appointed 14 September 2020)  
Kerry Allan (resigned 4 August 2020)  
Maxine Dinnes  
Diarmid Hearn  
Alexander Johnston  
Jacqueline Killeen  
Dr Joanne McLean (resigned 14 September 2020)  
Lauren Salmon (appointed 14 September 2020)  
Jane Steele (appointed 14 September 2020)  
Katherine Wilkinson (appointed 14 September 2020)

The directors of the charitable company, who are its trustees for the purposes of charity law, are collectively referred to throughout this report as trustees.

#### **Company Secretary**

Steven Marwick

#### **Key Management Personnel**

Steven Marwick Chief Officer (known as Director)  
Diane Kennedy Depute Director

#### **Independent examiner**

Emma Marshall CA  
Geoghegans  
Chartered Accountants  
6 St Colme Street  
Edinburgh EH3 6AD

#### **Bankers**

Bank of Scotland  
75 George Street  
Edinburgh EH2 3EW

## **Background**

The trustees of Evaluation Support Scotland (ESS) present their annual trustees' report together with the financial statements of the charitable company for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

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

### ***Our charitable purpose***

1. To promote the effectiveness and efficiency of charities and of the voluntary sector by promoting learning about evaluation and the results of evaluation as a process which can be used to improve the delivery of services for the public benefit throughout Scotland; and in support of that object but not otherwise:
  - (i) to encourage lifelong learning and education through the involvement of service users in the evaluation and improvement of services;
  - (ii) to provide advice and support to charities and other organisations undertaking or funding charitable work about undertaking and learning from evaluation of their activities;
  - (iii) to support charities and other organisations undertaking or funding charitable work in delivering better services to those in need by reason of youth, old age, unemployment, disability, health or social problems or other disadvantage and further including, without prejudice to the generality, those living in disadvantaged neighbourhoods and minority ethnic communities;
  - (iv) to improve the delivery of services for the public benefit by encouraging funders, voluntary organisations and others to work together to reduce bureaucracy and to implement learning about effective service delivery;
  - (v) to encourage Government and other organisations to learn from the results of evaluation and thus make better use of resources for the benefit of the public.
  
2. To promote such other purposes, objects or institutions as are charitable in law and in such proportions and manner as the trustees shall think fit.

***Our mission:*** ESS works with the third sector and funders so they can measure and report on their impact and use learning to improve practice and influence policy.

**Our vision** is that people in Scotland's third sector have the knowledge, skills and support to evaluate, reflect and learn from their work.

We promote self-evaluation. By learning how to evaluate their own activities and outcomes, organisations discover what works and what does not and can make use of that learning. Self-evaluation (and evaluation generally) should be valuable, relevant and proportionate.

In order to achieve our outcomes, we work in the following way:

1. We are accessible. We use plain English. We are friendly. We work in a way that meets the different needs and abilities of people and organisations.
2. We work collaboratively with organisations, combining their expertise with ours to generate evaluation approaches they can own, develop and run with.
3. We use different and creative ways to engage people in evaluation. We promote a wide range of evaluation tools.
4. We are a centre of expertise on self-evaluation in the third sector and we share what we know.
5. We work in positive partnership with others, sharing our learning and adding value to the expertise of others. We provide effective platforms to share evaluation evidence.
6. We promote a culture of learning within ESS. We seek feedback from everyone we work with so we learn from our successes and weaknesses and get better at what we do.
7. ESS is a good place to work. We support and develop our staff and trustees so they can fulfil their roles and feel valued.

The need for ESS is identified through ongoing consultation, most recently for the development of our strategic plan 2019-23. Many third sector organisations still struggle with confidence, skills and systems to measure and report on the difference they make. Others are looking for help with more complex issues such as what is "good enough" evidence or analysis of evidence. Requirements from funders and others can still get in the way of evaluation for learning and improvement. Funders themselves can face challenges in evaluating their impact. Decision-makers may need support to use third sector evaluation evidence to improve policy and practice and so improve outcomes for people.

### ***Outcomes, activities and plans***

The change we intend to make (our outcomes) is that third sector organisations have improved skills to evaluate and put in place appropriate evaluation systems. This leads to organisations being better able to generate evidence about their impact and deliver even better services. They will be better able to share learning with funders and policy-makers leading to better funding or policy decisions to benefit people and communities.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' Annual Report for the year ending 31 March 2021**

We have six roles:

1. We support the third sector to plan and do evaluation, involve service users and embed evaluation in their organisation.
2. We share good practice and ideas about how to do evaluation and tackle tough problems and barriers.
3. We work with funders to support third sector evaluation and to evaluate their own work.
4. We work with groups of third sector organisations to develop common outcomes, methods or evidence in a particular area.
5. We support the use of third sector evaluation and evidence to improve practice and influence policy.
6. We enable intermediaries to support or train others on evaluation (*we can only do this if we get the funding*).

We create programmes of support using workshops, tailored support, learning sets, events, forums, publications and our website. Through these programmes we aim to achieve the outcomes above.

2020-21 was the second year of our strategic plan 2019-23 (on our [website](#)). We have an annual work plan and plans for individual staff.

### ***How we evaluate***

We collect evidence in a range of ways. This includes:

- Self-reported feedback from organisations we work with, in feedback forms, emails and verbal feedback.
- “Physical” evidence such as evaluation plans, methods, reports created as a result of our support.
- Feedback from funders provided to us direct or reported to us about, for example, improvement in reporting or services as a result of our support.
- Feedback from service users reported to us about improvements in service provision as a result of our support.
- A biennial [stakeholder survey](#) – most recently in autumn 2020.

## **Achievements and performance in 2020-21**

### **Headlines about impact and learning:**

1. ESS remained **relevant** in a difficult year and we worked with **more** organisations than ever before.
2. We helped organisations see the importance of **evaluation for learning**. Overall, we helped third sector organisations:
  - Evaluate their adapted **services**
  - Adapt their evaluation **methods** – ie online evaluation
  - Analyse and report on a broad and more qualitative **range of evidence**
3. We had to practice what we preach! We moved our own services online and evaluated quickly. We found that most of our clients **learned equally well** on line and we became **more accessible** for some.
4. But we **didn't get everything right** first time so we responded to feedback, adapted and improved. For example, workshop participants told us that what was missing from our online offer was informal sharing with peers so we created a new Peer Learning session for after participants finish workshops. Not everyone can attend these, but they were valued by those who did. We also found it harder to get 'before' and/or 'after' feedback online and we've adapted our own evaluation practice to address this.
5. Our existing resources remained relevant and our key **principles** were actually reinforced by COVID-19, ie that evaluation should be:
  - About outcomes not (just) activities
  - Useful – help organisations learn and improve
  - Proportionate and fit with how organisations do their work
  - Be done in a way that benefits – and ideally involves - service users
6. There is a strong desire in the sector to **learn from COVID-19** experiences. We identified four inter-related "why evaluate" reasons that resonated with the sector; namely it's important to evaluate:
  - For **motivation** – life is tough so we should celebrate successes
  - To check we are doing the **right things** in the right way
  - To inform our **future** (what to keep doing, stop doing)
  - To **share learning** with others



**Evaluation Support Accounts (ESAs)** are where a funder pays for training and support for grantholders. We had ESAs with **7 funders** this year.

For example, The National Lottery Community Fund paid for **105** grantholders to access workshops, tailored support or learning programmes. Of **35** grantholders whose support ended this year **29** achieved all or part of their evaluation support goal. The others did not respond to requests for feedback. Here some illustrations of our impact:

*"You have clarified many evaluation outcome questions. It has inspired us and given us confidence to work on a more streamlined plan."* Substance misuse charity

*"you really helped us to think through different collection methods and also ensure that what we collect is clearly tied to our outcomes."* Health Charity

*"I feel that I have learned more about evaluation in the past 6 weeks than I have in the previous 16 years of practice. I have already started putting the things I have learned into action and it is working brilliantly for me so far."* Youthwork charity

Tweet from one Robertson Trust grantholder:

We ran our third session to bring together organisations whose support has finished together with their funders. Participants took away ideas about different evaluation tools and approaches; and reassurance and motivation.

**Other support**

- 23 organisations paid for support to improve their evaluation systems.
- Events about **evaluating at a distance**.
- Workshops on evaluating at a distance, analysing qualitative data and using lived experience evidence.



Our **COVID-19 specific page**, with free resources, methods and case-studies went live on 13 April 2020 and quickly became our most frequented page. From February, we revamped the page to focus on resources and workshops about [evaluating online delivery](#).

*"Like so many organisations across the third/charity sector you adapted quickly, responding to immediate challenges and sharing knowledge/new ways of working and ideas in a way that was actually useful"* feedback in stakeholder survey

COVID-19 has zoomed many of us on a huge learning curve! How do we deliver our services and evidence our impact in our 'new normal'?



We launched a [new website](#). It is easier to navigate than our previous one. Example feedback:

*"Lots of resources available/online tutorial very good/great at contacting to keep offering services/organisation exudes a friendliness and openness."*

We issued [newsletters](#) to over 3,000 people (up **10%**) and tweeted to 2,526 Twitter followers (up **19%**).



We created a new [online learning module on logic modelling](#).

We have a new suite of [support guides](#) on **analysing data** and guides on [evaluating partnership](#), [evaluating publications](#) and on **"good enough" evidence**:

*"Providing excellent resources and tools around how to measure, evaluate and report outcomes/indicators for projects"* Stakeholder survey feedback

## **[Role 2: Sharing evaluation good ideas and tackle challenges](#)**

Through Inspiring Impact, we ran **peer learning** events: *"Why Evaluate? CEOs and evaluation"* (with ACOSVO), *"Evaluating online"* and *"Tackling evaluation challenges when working with children"* (with Children in Scotland).

*"Really helpful to have time and space to think through and discuss with others. Inspired me to ensure we make some time to plan our evaluation methods - easy to keep putting it off!"*

We undertook research to find out about who **leads evaluation** in third sector organisations and to do it well. Our [report](#) and [key messages](#) were launched at a peer learning event.



We ran an online event to round off a two-year programme about putting **young people in the lead** of some part of evaluation. We supported four organisations to make [videos](#) with young people talking about what they did.

*"Designing our own evaluations makes us feel good"* quote from young person

**Crisis to Recovery:** Through our National Lottery Community Fund contract, we helped a cohort to **evaluate** and **learn** about their response to the COVID-19 to help them strengthen their response and their recovery. We published [7 case studies](#) and recruited a second cohort.

*"this has given me focus and help to set out a plan for the virtual delivery."*

Thrive Learning Programme, developed by ESS and [Actify](#), helps practitioners understand how to use physical activity / sport to achieve a range of outcomes. As much of the workforce was furloughed this year, we did not transfer Thrive Training online but instead developed Thrive Lite, an online self-directed study course, that we had intended to do in 2022. Creating an online self-directed study took time but feedback from pilot participants suggests we are getting it right:



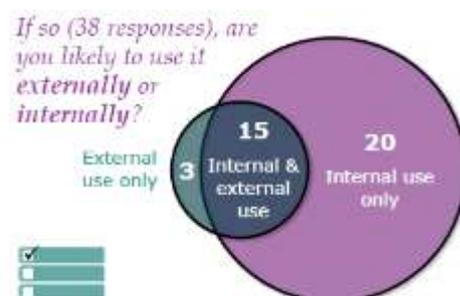
*"Thoroughly enjoyed the simple layout and presentation of the course. This made it very easy to follow and absorb the information while still allowing to explore the topics further."*

### **Role 3: Work with funders**

We ran two programmes this year where, instead of writing traditional funder reports, projects come together to generate shared learning. The sessions, along with short questionnaires, allow funded projects to share evaluation evidence and emerging learning that we compile in visually engaging reports. COVID-19 meant all this had to be online which was not ideal but worked.

#### **Self-management fund learning programme**

In a [first learning report](#), nine outcome themes were identified and confirmed with projects. Almost all projects said they were likely to use (parts of) this learning report to inform service development, spread the word about self-management and improve evaluation.



#### **Homelessness learning programme**

As part of our contract with the National Lottery Community Fund we are running a learning programme with eight projects working to prevent homelessness. This year we ran online events to explore the learning areas and also (as many projects are consortia) how to evaluate in partnership using our new resource. When asked by NLCF (without ESS in the Zoom), projects unanimously chose to continue with this way of "reporting" and said that it helps them to learn too. The NLCF is also benefitting:

*"we're seeing a lot of richness coming out about the complexity of work around preventing homelessness, and supporting people at risk." NLCF*

We ran our Funding and Relationships workshop for 41 Scottish Government officials who manage third sector grant funding. Participants increased skills and knowledge:

*"I can see already how to follow best practice, get useful outcomes and build relationships with the third sector." Official*

We provided tailored help to the Scottish Government **Access to Childcare Fund**, administered by Children In Scotland to establish proportionate evaluation systems and run workshops for projects on reporting requirements.

In January 2020 we launched **Principles for Positive Partnership** to help Scottish Government grantholders and grant managers achieve positive funding relationships and tackle problems. We promoted the guidance this year but awareness is low and experiences on both sides are mixed. In the coming year we'll work with SCVO to re-energise this work.

**Role 4: Developing common outcomes and evidence with groups of third sector organisations**

We developed four in-depth **case studies** to show how organisations can use [Recognising our rich tapestry: measuring the contribution of third sector organisations to tackling health inequalities](#) resource (developed in 2019/20) to prove their contribution to **tackling health inequalities**.

We shared the [case studies](#) at a learning event we ran with our partners VHS, CHEX and Public Health Scotland. 81% of participants “definitely” learnt something new about evaluating health inequalities



*“What this toolkit taught us was we have a plethora of data and evidence, sometimes lost in 40 page monitoring reports, this format offers key pieces of information gathered from a variety of sources which can be far more powerful than the 40 page thesis!”* case study organisation

This year we had planned support to TSIs to further increase evaluation and reporting skills and to share learning about and from evaluation in relation to [The TSI outcome framework](#). Instead, support was refocused to facilitate a working group of TSI staff to develop case studies that explained **TSI work during COVID-19**.

**Role 5: Support the use of third sector evidence**

We convened the **Third Sector Research Forum** and 27 members shared experiences about conducting research during the pandemic and learning from their research. A subgroup produced the TSRF guide to **applying ethical principles for third sector research**. This was launched for consultation at the conference and got good feedback. A [TSRF film](#) share evidence of the Forum’s impact.



The **Researching Well** conference in February was attended by 144 delegates. A [conference report](#) is available. Of 70 delegates who completed the conference evaluation, 32 strongly agreed and 36 agreed the conference had increased or reinforced their knowledge of good practice in ethical third sector research.



## Financial review

Despite a challenging year ESS's financial position was similar to previous years and we maintained our financial stability. ESS's total incoming resources were £401,298 in 2020/21 (2019/20:£395,676). This consisted of:

- Grants of £156,300 from the Scottish Government Third Sector Unit.
- Grant of £4,710 from the Scottish Government for furloughed employees.
- Grant funding of £20,000 via New Philanthropy Capital for ESS's involvement in *Inspiring Impact*.
- Income earned from other activities including contracts, training and bank interest totalling £220,288 (2019/20: £244,056).

### ***Pricing policy***

- Workshops are costed to break even, covering costs for staff salaries, materials, venues and catering.
- Organisations receiving tailored support are charged a daily rate to cover the staff and administration costs of the providing service.
- Other programmes of work are costed to cover the salaries and administration costs of delivering the programme.

Programmes paid for by funders and Scottish Government mean that over 80% of third sector organisations we worked with received support they did not have to pay for. Hundreds more benefited from free online resources, webinars and our grant-funded learning events.

### ***Reserves policy***

ESS's funding comes from a range of grants and contracts. These rarely last for more than a year and are often agreed or terminated at short notice. The trustees judge that ESS should hold free reserves (being unrestricted funds excluding fixed assets) of between four and five months' running costs to ensure that in the event of a significant loss of, or drop in funding the charitable company will be able to continue to operate while consideration is given to finding alternative funding. Unrestricted reserves are £153,574 (31 March 2020: £148,188) and free reserves are £149,836 (2020: £146,618). This is around 4½ months' running costs at current levels.

### ***Designated funds***

In 2018 the board designated £7,000 for website and ICT improvements that took place in 2018/19 and further use of this fund was made to pay for the depreciation of the IT equipment. The total funds at 31 March 2021 is £2,085 and these funds will be used to pay for future depreciation costs and contribute toward the cost of future IT replacements.

In March 2020, the board designated a separate fund of £5,000 to pay for a web designer to create a new website. This work took place during 2020/21 and the remaining fund balance of £2,085 is held to meet future amortisation charges.

### ***Future funding***

ESS has a confirmed annual core grant of £156,300 from the Scottish Government for 2021/22 and 2022/23 (second year is indicative). Other contracts and grants are in place or anticipated to cover most of our costs in 2021/22 and we are undertaking staff restructuring to reduce our costs.

Nevertheless, the COVID-19 crisis means that, like all charities, our finances continue to be uncertain. We have revised and updated our risk register and, as well as regular board reports on finance and income generation, we have put in place actions to take regular stock of income generation and costs so we can take early actions to maintain ESS's financial health.

### ***Plans for future periods***

We will continue to offer our training, tailored support and events online until it is safe to provide face-to-face support; and we will develop a blended delivery strategy for the future to deliver online where we now know that's better.

We will help the third sector to use evaluation to learn from its COVID-19 response, including publishing case studies, running events and producing resources. We will also continue to support the sector to evaluate their own on-line or adapted services.

We will run Evaluation Support Accounts so the sector can access free training and support paid for by their funding. We will review 4 years' learning from our contract with the National Lottery Community Fund that ends this year.

We will work with funders to identify their learning from COVID-19 about reporting and run funder/funded programmes eg with the homelessness sector. We will provide training to the sports sector through the Thrive Programme.

We will launch a coproduced evaluation framework for community-led interventions in Falkirk.

We will promote and support the use of third sector evidence for decision-making, especially lived experience evidence.

We will facilitate the Third Sector Research Forum and finalise and promote a guide to ethical research in the third sector.

## Structure governance and management

### ***Appointment of trustees***

Three trustees stepped down this year. Four new trustees were appointed through an open recruitment process. Potential new trustees received an application pack. They completed an application form and were interviewed by a trustee subcommittee. The board appointed those who had the best fit with the skills in the role description. The board ensures that it contains a mix of trustees with experience of funding voluntary organisations, of working in the third sector and of evaluation theory and practice. Trustees are normally appointed for 3 years and can serve a maximum of 6 years.

### ***Induction and training for Trustees***

New trustees receive an induction pack and induction with the Director and other trustees. Each new trustee is allocated a trustee 'buddy'. The trustee handbook is updated annually and incorporates good practice guidance from the Scottish Charity Regulator (OSCR).

### ***Operations of the board***

A register of interest is held and regularly reviewed. Interests are declared at the start of each board meeting.

The board conducts our business through meetings every 2 months. The board met 6 times throughout the year. A Zoom away day for trustees and all staff reviewed learning from our COVID-19 year. The board's two standing committees are Finance and Human Resources. A further subgroup led the recruitment of new trustees.

### ***Key management personnel***

In the opinion of the board the key management personnel are the board, as trustees and directors of the charitable company, and the Director and Depute Director as disclosed in the financial statements.

All members of the Board give their time freely and no trustee received any remuneration in the current or prior year. Details of expenses reimbursed during the period are disclosed in note 8 to the financial statements.

The pay of all staff including the key management personnel is reviewed annually by the human resources subcommittee.

### ***Risk policy***

The trustees have examined the major governance, operational, financial, reputational, environmental and legal risks which the charitable company faces and confirm that there are policies, procedures and contingencies in place to manage and reduce these risks. The risk register is reviewed annually and consideration of risk is a standing item at each meeting. Staff members are aware of the risks identified. A risk review is undertaken at the start of all major new projects. Our Strategic Plan 2019-23 was developed in line with sector needs and our income generation strategy was updated in 2019.

The most significant risks are financial sustainability, loss of key staff, and maintaining our ability to respond to and/or stimulate demand. These risks have been heightened during the current pandemic and the board has updated mitigation plans accordingly. All staff are working from home, we provide our services online successfully and we are in regular contact with our funders. Procedures for supporting staff, and managing staff absence if necessary, have been updated.

### Trustees' responsibilities statement

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities 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.

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

**EVALUATION SUPPORT SCOTLAND**  
**Trustees' Annual Report for the year ending 31 March 2021**

This report has been prepared in accordance with *the Statement of Recommended Practice – Accounting and Reporting by Charities* (January 2015) applicable to charities preparing their accounts in accordance with FRS 102 and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 19 July 2021 and signed on their behalf by:

**Ricki McLaughlin**  
Treasurer

A handwritten signature in black ink, appearing to be 'Ricki McLaughlin', written over a light blue horizontal line.

**INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF EVALUATION SUPPORT SCOTLAND**

I report on the financial statements of the charitable company for the year ended 31 March 2021 which are set out on pages 19 to 33.

**Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;

have not been met; or

**INDEPENDENT EXAMINER'S REPORT (CONTINUED)  
TO THE TRUSTEES OF EVALUATION SUPPORT SCOTLAND**

2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

A handwritten signature in blue ink that reads 'Emma Marshall'.

**Emma Marshall CA**  
Independent Examiner

19 July 2021

Geoghegans  
Chartered Accountants  
6 St Colme Street  
Edinburgh EH3 6AD

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
for the year ended 31 March 2021**

	Notes	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
<b>Income from:</b>					
Charitable activities:					
Grants	3	156,300	20,000	176,300	150,830
<i>Other charitable activities</i>	4	218,926	-	218,926	241,158
COVID income – CJRS		4,710	-	4,710	-
Meeting room lets		-	-	-	770
Donations		-	-	-	790
Investment - Bank interest		1,362	-	1,362	2,128
<b>Total income</b>		<u>381,298</u>	<u>20,000</u>	<u>401,298</u>	<u>395,676</u>
<b>Expenditure on:</b>					
Charitable activities	5	<u>375,912</u>	<u>21,003</u>	<u>396,915</u>	<u>396,348</u>
<b>Total expenditure</b>		<u>375,912</u>	<u>21,003</u>	<u>396,915</u>	<u>396,348</u>
<b>Net income/ (expenditure) and net movement in funds</b>	7	5,386	(1,003)	4,383	(672)
<b>Funds brought forward</b>		<u>148,188</u>	<u>1,003</u>	<u>149,191</u>	<u>149,863</u>
<b>Funds carried forward</b>	13	<u>153,574</u>	<u>-</u>	<u>153,574</u>	<u>149,191</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operation.

**BALANCE SHEET**  
**At 31 March 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	9	3,334	-
Tangible assets	10	404	1,570
		<u>3,738</u>	<u>1,570</u>
<b>Current assets</b>			
Debtors	11	26,875	10,319
Bank & cash		<u>190,530</u>	<u>190,879</u>
		217,405	201,198
<b>Creditors: Amounts falling due within one year</b>	12	<u>(67,569)</u>	<u>(53,577)</u>
<b>Net current assets</b>		<u>149,836</u>	<u>147,621</u>
<b>Net Assets</b>		<u>153,574</u>	<u>149,191</u>
<b>Unrestricted Funds</b>			
<b>General Funds</b>	13,14	148,154	139,330
<b>Designated Funds</b>	13,14	5,419	8,858
<b>Restricted Funds</b>	13,14	<u>-</u>	<u>1,003</u>
<b>Total funds</b>		<u>153,574</u>	<u>149,191</u>

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities. Approved and authorised for issue by the Board of trustees on 19 July 2021 and signed on their behalf by:

**Ricki McLaughlin**  
Trustee



**Company Registration No: SC284843**

**RECONCILIATION OF NET INCOME TO  
NET CASH FLOW FROM OPERATING ACTIVITIES  
for the year ended 31 March 2021**

	2021 £	2020 £
<b><i>Net income / (expenditure) for the year (per SOFA)</i></b>	4,383	(672)
<b>Adjustments for:</b>		
Interest from investments	(1,362)	(2,128)
Depreciation	3,439	1,571
Decrease / (increase) in debtors	(16,556)	42,847
(Decrease) / increase in creditors	<u>13,992</u>	<u>(64,333)</u>
<b><i>Net cash provided by / (used in) operating activities</i></b>	<u><u>3,896</u></u>	<u><u>(22,715)</u></u>

**STATEMENT OF CASH FLOWS  
for the year ended 31 March 2021**

	2021 £	2020 £
<b>Cash flows from operating activities:</b>		
<i>Net cash provided by / (used in) operating activities</i>	<u>3,896</u>	<u>(22,715)</u>
<b>Cash flows from investing activities:</b>		
Purchase of tangible fixed assets	(5,607)	-
Interest from investments	<u>1,362</u>	<u>2,128</u>
<b><i>Net cash flow (used in) / provided by investing activities</i></b>	<u>(4,245)</u>	<u>2,128</u>
<b><i>Change in cash and cash equivalents in the year</i></b>	(349)	(20,587)
Cash and cash equivalents at the beginning of the year	<u>190,879</u>	<u>211,466</u>
Cash and cash equivalents at the end of the year	<u><u>190,530</u></u>	<u><u>190,879</u></u>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

### 1. Accounting policies

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

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the financial statements. The financial statements are presented in sterling which is the functional currency of the charitable company and rounded to the nearest £.

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

Evaluation Support Scotland meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared on a going concern basis. At the time of approving the financial statements, the trustees are confident that the charitable company has adequate funds to continue in operational existence. Trustees have considered the impact of the COVID-19 pandemic on the financial position and future performance of the charitable company and continue to monitor finances to ensure expenditure remains within the income available. Trustees are satisfied these efforts are sufficient and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

#### ***Income***

All income is included in the Statement of Financial Activities when the charitable company has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2021****1. Accounting policies (continued)**

- Income is received by way of grants and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance of the charitable company, are recognised when the charitable company becomes unconditionally entitled to the grant.
- Training income which includes income from room lets is included in the Statement of Financial Activities when the rental has taken place and the charitable company is entitled to the income.
- Conference income has been included on receipt as it is non-refundable in nature.
- Donated services and facilities are included at the value to the charitable company where this can be quantified.
- Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest received by the Bank.

**Expenditure**

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. Expenditure is classified under the following activity headings:

Expenditure on charitable activities comprises those costs incurred by the charitable company in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs form part of charitable support costs and comprise those costs associated with meeting the constitutional and statutory requirements of the charitable company, include the audit fee and costs linked to the strategic management of the charitable company. Other support costs relate to the administrative cost of running the charitable company.

The charitable company is registered for VAT. Any VAT which cannot be recovered is reported as part of the expenditure to which it relates.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in notes 5 and 6.

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2021

### 1. Accounting policies (continued)

#### ***Pension***

Employees of the charitable company are entitled to join a defined contribution 'money purchase' pension scheme run by The Pensions Trust. The charge in the financial statements represents the contributions payable by the charitable company for the period.

#### ***Intangible fixed assets***

Intangible fixed assets are included in the financial statements at cost. Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost by equal instalments over the useful economic life as follows:

Website costs	Over 3 years
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#### ***Tangible fixed assets***

Tangible fixed assets are stated at cost less provision for diminution in value. Only assets costing more than £500 are capitalised.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life as follows:

Office furniture	Over 3 years
Computer equipment	Over 3 years

#### ***Debtors***

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

#### ***Cash at bank and in hand***

Cash at bank and cash in hand includes cash and short term highly liquid investments.

#### ***Creditors***

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**
**1. Accounting policies (continued)**
***Fund accounting***

Funds held by the charitable company comprise both unrestricted and restricted funds. Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose. Unrestricted funds include designated funds where the directors have earmarked funds for a particular purpose.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

***Taxation***

As a charitable company, Evaluation Support Scotland is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charitable company.

**2. Legal status**

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

**3. Grants**

	2021	2020
	£	£
Scottish Government grant – Core funding	156,300	130,350
New Philanthropy Capital – Inspiring Impact grant	20,000	19,000
Threading the Needle	-	1,480
	<u>176,300</u>	<u>150,830</u>

Included within grants above is £20,000 (2020 - £19,000) which was restricted in nature.

**4. Other income from charitable activities**

	2021	2020
	£	£
Income from contracts	211,383	234,495
Income from workshops	7,543	6,663
	<u>218,926</u>	<u>241,158</u>

Included in income from charitable activities is £nil (2020 - £nil) which was restricted in nature.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

5. <b>Cost of charitable activities 2020/21</b>	Basis of Allocation	Core Activities £	Restricted Activities £	2021 £	2020 £
<b>Charitable expenditure</b>					
Staff costs	Staff time	235,618	19,736	255,354	246,459
Staff pension	Staff time	19,690	1,267	20,957	20,588
Staff training	Direct	1,085	-	1,085	2,781
External training provision	Direct	575	-	575	14,773
Consultancy	Direct	15,798	-	15,798	-
Support costs		<u>103,146</u>	<u>-</u>	<u>103,146</u>	<u>111,747</u>
		<u>375,912</u>	<u>21,003</u>	<u>396,915</u>	<u>396,348</u>
<b>Support costs:</b>					
Staff costs	Staff time	46,035	-	46,035	44,144
Staff pension	Staff time	4,534	-	4,534	3,611
Payroll charges	Direct	465	-	465	420
Recruitment	Direct	230	-	230	230
Insurance	Direct	756	-	756	724
Office costs	Direct	33,444	-	33,444	38,858
Phone & internet	Direct	53	-	53	103
Website development and IT	Direct	1,906	-	1,906	2,691
Travel & subsistence	Direct	(39)	-	(39)	5,973
Subscriptions	Direct	914	-	914	1,214
Professional services	Direct	35	-	35	35
Bank charges	Direct	37	-	37	32
Depreciation	Direct	3,439	-	3,439	1,571
Governance costs (note 6)	Direct	<u>11,337</u>	<u>-</u>	<u>11,337</u>	<u>12,141</u>
		<u>103,146</u>	<u>-</u>	<u>103,146</u>	<u>111,747</u>

Charitable expenditure was £396,915 (2020: £396,348) of which £375,912 (2020 - £378,351) was unrestricted in nature and £21,003 (2020 - £17,997) was restricted in nature.

All charitable activities are in relation to supporting charities to measure and report on their impact and use learning to improve practice and inform policy.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

5. <b>Cost of charitable activities 2019/20</b>	Basis of Allocation	Core Activities £	Restricted Activities £	2020 £	2019 £
<b>Charitable expenditure</b>					
Staff costs	Staff time	230,442	16,017	246,459	246,190
Staff pension	Staff time	19,554	1,034	20,588	20,498
Staff training	Direct	2,379	402	2,781	4,004
External training provision	Direct	14,773	-	14,773	12,625
Consultancy	Direct	-	-	-	1,800
Support costs		<u>111,203</u>	<u>544</u>	<u>111,747</u>	<u>108,657</u>
		<u>378,351</u>	<u>17,997</u>	<u>396,348</u>	<u>393,774</u>
<b>Support costs:</b>					
Staff costs	Staff time	44,144	-	44,144	40,790
Staff pension	Staff time	3,611	-	3,611	3,339
Payroll charges	Direct	420	-	420	420
Recruitment	Direct	230	-	230	230
Insurance	Direct	724	-	724	721
Office costs	Direct	38,398	460	38,858	37,963
Phone & internet	Direct	103	-	103	71
Website development and IT	Direct	2,691	-	2,691	3,198
Travel & subsistence	Direct	5,889	84	5,973	7,077
Subscriptions	Direct	1,214	-	1,214	1,274
Professional services	Direct	35	-	35	25
Bank charges	Direct	32	-	32	32
Depreciation	Direct	1,571	-	1,571	1,571
Governance costs (note 6)	Direct	<u>12,141</u>	<u>-</u>	<u>12,141</u>	<u>11,946</u>
		<u>111,203</u>	<u>544</u>	<u>111,747</u>	<u>108,657</u>

Charitable expenditure was £396,348 (2019: £393,774) of which £378,351 (2019 - £356,174) was unrestricted in nature and £17,997 (2019 - £37,600) was restricted in nature.

All charitable activities are in relation to supporting charities to measure and report on their impact and use learning to improve practice and inform policy.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

6. <b>Governance</b>	Basis of Allocation	Core Activities £	Restricted Activities £	2021 £	2020 £
Staff costs	Staff time	7,326	-	7,326	7,277
Staff pension	Staff time	610	-	610	589
Board expenses*	Direct	532	-	532	1,480
Trustee Indemnity Insurance	Direct	324	-	324	310
Company House filing fee	Direct	13	-	13	13
Independent examination	Direct	<u>2,532</u>	-	<u>2,532</u>	<u>2,472</u>
		<u>11,337</u>	-	<u>11,337</u>	<u>12,141</u>

\* 2021 board expenses include costs of venue hire and catering for a strategy day.

7. <b>Net (expenditure) for the year</b>	2021 £	2020 £
This is stated (net) after charging:		
Depreciation	3,439	1,571
Independent examiner's remuneration	<u>2,532</u>	<u>2,472</u>
8. <b>Staff costs and trustees' remuneration</b>	2021 £	2020 £
Gross salaries	285,964	274,586
Social security costs	22,751	23,294
Pension costs	<u>26,101</u>	<u>24,788</u>
Total staff costs	<u>334,816</u>	<u>322,668</u>

No trustees received any remuneration during the current or prior year. No trustees received reimbursement of expenses totalling £Nil (2020 - one trustee totalling £68) for travel and subsistence in relation to attending board and other meetings during the year.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**
**8. Staff costs and trustees' remuneration (continued)**

The average number of employees during the year was 10 full and part-time staff (2020 – 10). The breakdown, calculated on the basis of full-time equivalents, was as follows:

	2021	2020
Chief Officer (Director)	1.0	1.0
Depute Director	1.0	1.0
Development Officers	5.5	5.0
Administration	2.5	2.5
	<u>10.0</u>	<u>9.5</u>
Total	<u>10.0</u>	<u>9.5</u>

The employees of the charitable company were members of the charitable company's pension scheme. Contributions totalling £Nil were outstanding at 31 March 2021 (2020 - £Nil).

The key management personnel of the charitable company are the Board of Trustees, the Chief Officer (Director) and Depute Director. The trustees all give of their time without remuneration. Details of trustees' expenses are disclosed above. The Director and Depute Director's aggregate remuneration for the year was £96,898 (2020 - £102,824).

The pay of all staff including the key management personnel is reviewed annually by the Human Resources subcommittee.

**9. Intangible Fixed Assets**

	Website costs £
<b>Cost</b>	
At 1 April 2020	-
Additions	<u>5,000</u>
At 31 March 2021	<u>5,000</u>
<b>Depreciation</b>	
At 1 April 2020	-
Charge for year	<u>1,666</u>
At 31 March 2021	<u>1,666</u>
<b>Net Book Value at 31 March 2021</b>	<u>3,334</u>
<b>Net Book Value at 31 March 2020</b>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

10. <b>Tangible Fixed Assets</b>	Computer Equipment £	Office Furniture £	Total £
<b>Cost</b>			
<b>At 1 April 2020</b>	4,712	502	5,214
<b>Additions</b>	607	-	607
	<u>5,319</u>	<u>502</u>	<u>5,821</u>
<b>At 31 March 2021</b>			
<b>Depreciation</b>			
<b>At 1 April 2020</b>	3,142	502	3,644
<b>Charge for year</b>	1,773	-	1,773
	<u>4,915</u>	<u>502</u>	<u>5,417</u>
<b>At 31 March 2021</b>			
<b>Net Book Value at 31 March 2021</b>	<u>404</u>	<u>-</u>	<u>404</u>
<b>Net Book Value at 31 March 2020</b>	<u>1,570</u>	<u>-</u>	<u>1,570</u>
11. <b>Debtors</b>		2021 £	2020 £
Trade debtors		25,317	5,341
Other debtors		1,000	-
Prepayments and accrued income		558	4,978
		<u>26,875</u>	<u>10,319</u>
12. <b>Creditors</b>		2021 £	2020 £
Taxes and social security costs		24,325	16,654
Accruals		2,546	2,682
Holiday pay		7,240	2,929
Deferred income		32,970	31,178
Other creditors		488	134
		<u>67,569</u>	<u>53,577</u>
* Movement in deferred income in year			
Brought forward		31,178	73,193
Released in the year		(31,178)	(73,193)
Deferred in the year		32,970	31,178
		<u>32,970</u>	<u>31,178</u>

Deferred income comprises grants and workshop income received in advance.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**
**13. Funds**

2020/21	At 31 March 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
<b>Unrestricted Funds</b>					
General funds	139,330	381,298	(372,473)	-	148,155
Designated fund – website	5,000	-	(1,666)	-	3,334
Designated fund – IT Equipment	3,858	-	(1,773)	-	2,085
	<u>148,188</u>	<u>381,298</u>	<u>(375,912)</u>	<u>-</u>	<u>153,574</u>
<b>Restricted Funds</b>					
Inspiring Impact	1,003	20,000	(21,003)	-	-
	<u>1,003</u>	<u>20,000</u>	<u>(21,003)</u>	<u>-</u>	<u>-</u>
<b>Total Funds</b>	<u>149,191</u>	<u>401,298</u>	<u>(396,915)</u>	<u>-</u>	<u>153,574</u>
2019/20	At 31 March 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
<b>Unrestricted Funds</b>					
General funds	144,434	376,676	(376,780)	(5,000)	139,330
Designated fund – website	-	-	-	5,000	5,000
Designated fund – IT Equipment	5,429	-	(1,571)	-	3,858
	<u>149,863</u>	<u>376,676</u>	<u>(378,348)</u>	<u>-</u>	<u>148,188</u>
<b>Restricted Funds</b>					
Inspiring Impact	-	19,000	(17,997)	-	1,003
	<u>-</u>	<u>19,000</u>	<u>(17,997)</u>	<u>-</u>	<u>1,003</u>
<b>Total Funds</b>	<u>149,863</u>	<u>395,676</u>	<u>(396,348)</u>	<u>-</u>	<u>149,191</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

**13. Funds (continued)**

**General Fund – Third Sector Unit**

This grant of £156,300 was provided by the Scottish Government towards the core costs of running ESS. This included costs for running the third sector research forum conference. Core costs include staff costs, office expenditure, and other costs. Under the terms of the funding arrangement ESS may not dispose of any equipment purchased with grant funds within five years of the award without the prior written consent of Scottish Ministers, where the equipment has a minimum value of £1,000 at the time of disposal.

**Designated Fund – IT Equipment**

In 2018 the board designated £7,000 for website and ICT improvements to take place in 2019/20. In the period 2020/21 the total expense from this fund was £3,439 reflecting the depreciation on assets purchased using this fund. The total remaining designated funds a 31 March 2021 are £5,419.

**Inspiring Impact**

Payments totalling £20,000 were made in 2020/21 by New Philanthropy Capital from grants paid to the Inspiring Impact programme. The grant is restricted to the strand of work Inspiring Impact Scotland and to provide collaborative assistance to the Inspiring Impact programme.

**14. Analysis of Net Assets Between Funds**

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	3,738	-	3,738
Net current assets	149,836	-	149,836
<b>Net Assets at 31 March 2021</b>	<b>153,574</b>	<b>-</b>	<b>153,574</b>

**Analysis of Net Assets Between Funds**

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	1,570	-	1,570
Net current assets	146,618	1,003	147,621
<b>Net Assets at 31 March 2020</b>	<b>148,188</b>	<b>1,003</b>	<b>149,191</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2021**

15. <b>Analysis of changes in net funds</b>	1 April 2020 £	Cashflows	31 March 2021 £
Cash and cash equivalents	<u>190,879</u>	<u>(349)</u>	<u>190,530</u>

**16. Related Party Transactions**

No trustees or other person related to the charitable company had any personal interest in any contract or transaction entered into by the charitable company during the year (2020 – None).