



**THE POVERTY ALLIANCE**

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

**COMPANY REGISTRATION NUMBER SC136689**

**REGISTERED CHARITY NUMBER SC019926**

# THE POVERTY ALLIANCE

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## THE POVERTY ALLIANCE

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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The directors have pleasure in presenting their report and the financial statements of the charitable company for the year ended 31 March 2022.

The financial statements comply with the current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

#### Objectives and activities

The Objectives of The Poverty Alliance are set out in our Articles of Association:

- To promote the alleviation of poverty and to assist the work of voluntary organisations, statutory authorities and others engaged in the relief of poverty and or other charitable purposes; and
- To promote and organise cooperation in the achievement of the above purposes or any of them and to improve the level of public knowledge and awareness of poverty issues.

The Board and staff team of The Poverty Alliance undertake work to apply these objectives to the social, political and economic context in which we operate. In 2021-22 five areas of activity would help us fulfil our objectives. These five areas of activity were:

1. Supporting the development of policies and practices that promote social justice and combat poverty;
2. Working with people and communities experiencing poverty to help them to challenge poverty;
3. Building a strong anti-poverty network in Scotland;
4. Raising awareness about poverty and changing attitudes; and
5. Providing high quality research and knowledge about poverty in Scotland.

A wide range of activities are carried out by the staff team with our members and many others in each of these areas. The continuing impact of the Covid-19 pandemic in 2021-22 necessarily meant that adaptation and flexibility in the work that was carried out by the team was essential. In each of the areas the main activities have included:

1. As in previous years much of our policy development and parliamentary activity were focused on ensuring that our social security systems and other forms of income maintenance were adequate. In the Scottish context this meant a clear focus on pressing for additional increases to the Scottish Child Payment. At the UK level we were active, along with other civil society organisations, in lobbying for the retention of the £20 uplift to Universal Credit. We also worked extensively on engaging with our network and with people with experience of poverty to contribute to the development of the new Child Poverty Delivery Plan.

We have also continued to work on a variety of other policy issues during 2021-22, including transport and poverty, fuel poverty, mental health, and covid status certificates.

Our work on issues related to in-work poverty continued to develop. Our work on expanding the number of Living Wage accredited employers continued. In addition we added new aspects to this programme looking at the role of working hours in the reduction of in-work poverty.

2. Working with grassroots organisations and with people with direct experience of poverty is a central part of the work of the Poverty Alliance. During the last financial year, we worked in a variety of ways to ensure that there were opportunities for organisations and individuals to take part in our work. This included through the Get Heard Scotland project, which focused on contributing to the development of the next Child Poverty Delivery Plan, and through continuing to develop our work on End Poverty Edinburgh. The Community Activist Advisory Group (CAAG) remains an important aspect of our work to engage people with direct experience of poverty. At the start of 2022 our work with both grassroots organisations and people with experience of poverty was further strengthened with the launch of a new project, Rights in Action, which will work with community groups and people with experience of poverty to build awareness and action around human rights and poverty.

**Objectives and activities (continued)**

3. We have continued to strengthen and develop our work with Poverty Alliance members over the last year. We have provided regular information bulletins to our members and opportunities to engage in our work through events and members meetings. A targeted membership drive was put in place to increase the number and range of members over the last year.

As in previous years we have continued to provide a range of online events and activities for members. This has included online networking and training activities targeted at members in particular. We delivered online activities for Challenge Poverty Week, as well as our annual conference, AGM, webinars, and training.

4. Awareness Raising: We continue to produce a range of publications, including the Scottish Anti-Poverty Review, leaflets, briefing sheets and toolkits. A key part of our awareness work is our work with the media. We have continued to undertake a wide range of media work and have significantly increased our capacity to deliver more media activity around Challenge Poverty Week.

Social media is increasingly important for all of our awareness raising work and we have further developed our websites and social media channels over the last year.

Our focus on Challenge Poverty Week, a key element of campaigns and awareness work, remained in the current financial year. However, this was supplemented with the further development of targeted time limited campaigns including on a number of social security related issues. In addition, our work on Living Wage Scotland continued to have a significant awareness raising and communications function, ensuring that we were reaching a wider audience with information about the real Living Wage.

5. Research and Evidence: Our research and evidence work was significantly strengthened during the course of the last year. We have established new projects to take forward key strategic goals around improving access to decent work and using human rights as a tool to address poverty. In addition, the research team has also supported the development of Get Heard Scotland and completed the delivery of the Knowledge is Power programme with the Scottish Community Development Centre, which is supporting the development participatory research in Scotland.

We have also continued our partnership with the Scottish Poverty and Inequality Research Unit at Glasgow Caledonian University and have continued to develop new streams of work around mental health, educational inequalities and decent work.

**Achievements and performance**

As can be seen from the summary above The Poverty Alliance carries out a very wide range of activities. All these activities are designed to help contribute to our overall objective of influence policy and practice to reduce poverty. Some of the key highlights over the last year have included:

1. Influencing policy and practice: As the pandemic continued throughout 2021-22 we remained focused on ensuring that emergency support was available for all those who needed it. We worked with leading third sector organisations to lobby Scottish Government to secure additional support for families and people on low incomes during the pandemic. Following the election in May 2021 we were able to follow up on several key lobbying asks, including the call for the creation of Minimum Income Guarantee (MIG). We have since been involved in the MIG Expert Group which will play a key role in contributing to the introduction of the policy.

**Achievements and performance (continued)**

Our work on the promotion of the real Living Wage continued to show significant growth during the year. We accredited 639 employers, uplifting 7,381 workers onto the real Living Wage. We exceeded our targets for the financial year, generating more than double the number of accreditations, and almost double the number of uplifts, that we had initially aimed for. Overall net network growth has been in the region of 25%, with our retention rate averaging 86% throughout the year. During the year we passed the milestone of 2,500 accredited employers in Scotland.

In addition to our work accreditation, we also made progress in other key priorities for Living Wage Scotland. This included the launch of two new LW Place Action Plans in Eildon in the Scottish Borders, and Edinburgh. We also began the process of formally accrediting Living Hours employers as part of the LWS programme. We have accredited four Living Hours employers, which gives us a strong basis from which to build over the next two years.

2. **Community Engagement: Get Heard Scotland** was at the heart of our work around community engagement in 2021-22. The focus of the work was on contributing to the development of the new Child Poverty Delivery Plan. This work took the form of 1-2-1 interviews with grassroots organisations, a series of webinars and a conference. The outcomes of this work were fed into the team in Scottish Government and helped ensure that the experiences of people with experience of poverty and grassroots organisations were fed into the development of the new plan.

Our work with the End Poverty Edinburgh group continued to develop over the last year. The group comprises of around a dozen people with direct experience of poverty. They have been closely involved in feeding into the Edinburgh City anti-poverty strategy, meeting with leaders of the political groupings on the council, engaging regularly with council officials and developing relationships with third sector organisations. We will build on this work over the coming years.

3. **Building a Strong Network:** We have delivered more members meetings in 2021-22, responding to the continued growth of our network. In January 2022 alone we organised three members meetings focused on the cost of living crisis. These online members meetings have become an important means of engaging quickly with a diverse group of members.

A total of 68 organisations joined the Poverty Alliance during the course of the year, our second highest ever total for a year. We have continued to deliver a range of events during the course of the year including local election hustings meetings, Poverty Awareness Training for a range of groups, our annual conference, a campaign seminar as part of our AGM, and the annual Challenge Poverty lecture. In addition, we also delivered a wide range of activities, including multiple Ministerial meetings, as part of Living Wage Week 2021.

These events are essential to maintain our engagement with our members and with all those who want to be active in tackling poverty.

4. **Awareness raising:** The focus of our awareness raising activity remained Challenge Poverty Week. Once again the week was delivered on a fully online format basis. Challenge Poverty Week (CPW) 2021 was the most successful CPW to date, with 367 organisations taking part. Organisations and representatives from every key sector in Scotland participated, including schools and colleges, government bodies, faith groups, trade unions and professional bodies, elected representatives, local authorities, health organisations, charities and NGOs.

After a small reduction in the total number of organisations that got involved during CPW 2020 – owing to the acute challenges faced by organisations during the peak of the pandemic – in 2021 the number of participating organisations increased once more. There was also another substantial rise in the total number of activities taking place across the week, up from 722 in 2020 to 901 in 2021.

## THE POVERTY ALLIANCE

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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#### Achievements and performance (continued)

5. Research: We published several pieces of important research during the course of the last year. With the Scottish Poverty and Inequality research Unit at Glasgow Caledonian University we published a report on out of school provision in Inverclyde. We also produced a comprehensive report, part of the Get Heard Scotland project, on experiences of low income during the pandemic. Also, as part of Get Heard Scotland we produced a report on local approaches to participation, which has been shared widely with local authorities across Scotland. Research into Poverty Alliance members views of covid status certificates was published during the year and fed into Scottish Government policy development in this area.

#### Financial Review

The Poverty Alliance made a surplus of £112,885 (2021: £55,749) during the year. The Poverty Alliance's financial position has been stable over the last year. We continued to have funding agreements with Scottish Government for both our core (Get Heard Scotland) and for the Living Wage Scotland (LWS) programme. Both these programmes provide significant security for the organisation and were due to be extended into the next financial year. Our income from the LWS programme also allows greater flexibility in the development of other activities and to support the wider work of the Poverty Alliance. In addition, we have also secured multi year funding for new projects, Rights in Action and Serving the Future, which will bring additional stability to the organisation over the coming years.

We have continued to operate a reserves policy that aims for between 3 to 6 months operating costs. There are no doubts about the Poverty Alliance being a going concern. The Poverty Alliance currently has general unrestricted funds of £337,844 (2021: £455,555) and restricted funds of £39,270 (2021: £3,945). Furthermore, the charitable company had additional unrestricted designated funds of £195,271 (2021: £nil) which have been designated as detailed in note 17.

#### Structure, Governance and Management

The Poverty Alliance is a registered charity and a company limited by guarantee. The Memorandum of Association of The Poverty Alliance allows for an Executive Committee (also known as the Board) of up to 15 members. Full board members are elected for a period of three years. In addition, the Board may also co-opt members to fill vacancies and may also co-opt up to five additional members.

Members of the Board are recruited from within the ordinary membership of The Poverty Alliance. Prior to the Annual General Meeting of the organisation all members receive nomination forms entitling them to nominate one individual to the Board. If the number of nominations exceeds the number of vacancies, then the election is made by secret ballot.

The first meeting following the AGM is an induction meeting for new members. This induction outlines the roles and responsibilities of Board members, the current and future activities, and an overview of the financial position of the organisation. Finally, board members elect officers of the board (Convenor, Vice Convenor and Treasurer), each of which serves for three years.

Day to day management of the budget and resources of The Poverty Alliance are delegated by the Board to the Secretary. The Secretary is responsible for reporting back to the Board on a regular basis, for ensuring that the policies of the Alliance are up to date and meet with best practice and for ensuring that the staff team receive appropriate support and supervision. The pay and benefits package for management staff in the Poverty Alliance is set up the Board, with advice from the Finance and General Purposes Group of the Board. Any changes in management gradings are agreed by the board and pay is then set in line with Scottish Joint Council (SJC) salary scales.

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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#### Managing Risk

In the Poverty Alliance's most recent redrafting of our Risk Register we have identified the need to maintain core funding and to diversify our income and ensuring the wellbeing of the staff team as amongst the key risks. The review of our strategy was delayed due to the onset of the covid pandemic. We will launch the new strategy in 2021-22. In relation to staffing, the staff team at the Poverty Alliance is relatively stable with acceptable levels of staff turnover.

We keep the pay and conditions of the staff team under review and seek to ensure that we provide amongst the best pay and conditions in our sector, and within the current resourcing boundaries. Finally, we have continued to maintain a diverse portfolio of funders and, in line with our Funding Strategy, have been establishing relationships with new potential funders. We have continued to maintain a close relationship with our core funder and will continue to develop new streams of earned income.

#### Reference and administrative details

##### The Board of Directors

Mary MacLean (resigned 26 November 2021)  
John Dickie (resigned 26 November 2021)  
David Liddell (resigned 26 November 2021)  
Irena Paterson (resigned 26 November 2021)  
Hugh Foy  
Fiona Garven (resigned 26 November 2021)  
Rachel McEwen  
Eilidh Dickson  
Marie Ward  
Jimmy Wilson  
Susan Lyons  
Sharon Baldwin  
Emma Louise Jackson  
Innocent Jakisa  
Uzma Khan  
Trishna Singh  
Bridget Ann Ashrowan (appointed 26 November 2021)  
Mhoraig Green (appointed 26 November 2021)  
Shirley Grieve (appointed 26 November 2021)  
Polly Gemma Jones (appointed 26 November 2021)  
Ailsa Mary MacKenzie (appointed 26 November 2021)  
Kirsty Seonaid McKechnie (appointed 26 November 2021)

##### Company Secretary

Peter Kelly

##### Registered Office

Standard Building, 3rd Floor Front, 102 Hope Street, Glasgow,  
G2 6PH

##### Auditor

Azets Audit Services  
Statutory Auditor  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

##### Banker

Bank of Scotland  
167-201 Argyle Street  
Glasgow  
G2 8BU

##### Solicitors

T C Young  
7 West George Street  
Merchants House  
Glasgow  
G2 1BA

##### Website address

[www.povertyalliance.org](http://www.povertyalliance.org)

## THE POVERTY ALLIANCE

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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#### Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the directors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of 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

#### Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- So far as the directors are aware, there is no relevant information of which the charitable company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant information, and to establish that the company's auditor is aware of the information.

#### Small company exemptions

The report has been prepared in accordance with the special provisions for small companies under Section 419(2) of the Companies Act 2006.

#### Approval

This report was approved on behalf of the directors and signed on their behalf by:



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**Marie Ward**

Dated 15th November 2022



## THE POVERTY ALLIANCE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

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#### Opinion

We have audited the financial statements of The Poverty Alliance (the charitable company) for the year ended 31 March 2022 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and the provisions available to small entities, in the circumstances set out in note 19 to the financial statements. We have fulfilled our 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 audit opinion.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## THE POVERTY ALLIANCE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

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#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

### **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### ***The extent to which the audit was considered capable of detecting irregularities including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the charity sector;

## THE POVERTY ALLIANCE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

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- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), taxation legislation and data protection, anti-bribery, environmental, employment and health, safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the charitable company's legal advisors.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**THE POVERTY ALLIANCE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2022**

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Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's directors, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and the charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

**Allison Gibson, Senior Statutory Auditor**

**For and on behalf of**

**Azets Audit Services, Statutory Auditor**

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

Chartered Accountants

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Date: 15 November 2022

THE POVERTY ALLIANCE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds - General 2022 £	Unrestricted Funds - Designated - Development 2022 £	Unrestricted Funds - Designated - Contingency 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Restated Unrestricted Funds 2021 £	Restated Restricted Funds 2021 £	Restated Total Funds 2021 £
<b>Income</b>									
Donations	4	7,568	-	-	-	7,568	11,137	-	11,137
Charitable activities	5	231,196	-	-	783,080	1,014,276	203,024	618,124	821,148
Other trading activities	6	2,037	-	-	-	2,037	31,254	-	31,254
Other income	7	32	-	-	-	32	53	-	53
<b>Total income</b>		<b>240,833</b>	<b>-</b>	<b>-</b>	<b>783,080</b>	<b>1,023,913</b>	<b>245,468</b>	<b>618,124</b>	<b>863,592</b>
<b>Expenditure</b>									
Charitable activities	8	(163,273)	-	-	(747,755)	(911,028)	(187,822)	(620,021)	(807,843)
<b>Total expenditure</b>		<b>(163,273)</b>	<b>-</b>	<b>-</b>	<b>(747,755)</b>	<b>(911,028)</b>	<b>(187,822)</b>	<b>(620,021)</b>	<b>(807,843)</b>
<b>Net income/(expenditure)</b>		<b>77,560</b>	<b>-</b>	<b>-</b>	<b>35,325</b>	<b>112,885</b>	<b>57,646</b>	<b>(1,897)</b>	<b>55,749</b>
<b>Transfers between funds</b>		<b>(195,271)</b>	<b>73,000</b>	<b>122,271</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movements in funds</b>		<b>(117,711)</b>	<b>73,000</b>	<b>122,271</b>	<b>35,325</b>	<b>112,885</b>	<b>57,646</b>	<b>(1,897)</b>	<b>55,749</b>
<b>Reconciliation of funds</b>									
Total funds brought forward		455,555	-	-	3,945	459,500	397,909	5,842	403,751
<b>Total funds carried forward</b>	16,17	<b>337,844</b>	<b>73,000</b>	<b>122,271</b>	<b>39,270</b>	<b>572,385</b>	<b>455,555</b>	<b>3,945</b>	<b>459,500</b>

The notes on pages 15 to 26 form part of these financial statements

**THE POVERTY ALLIANCE**

**BALANCE SHEET  
AS AT 31 MARCH 2022**

	Note	2022 £	<i>Restated</i> 2021 £
<b>Fixed assets</b>			
Tangible assets	12	19,506	17,259
<b>Current assets</b>			
Debtors	13	303,668	48,866
Cash and cash equivalents		405,203	541,859
		<u>708,871</u>	<u>590,725</u>
<b>Creditors: amounts falling due within one year</b>	14	<b>(155,992)</b>	<b>(148,484)</b>
<b>Net current assets</b>		<u>552,879</u>	<u>442,241</u>
<b>Net assets</b>		<u>572,385</u>	<u>459,500</u>
<b>Reserves</b>			
Unrestricted funds – General	15,17	337,844	455,555
Unrestricted funds – Designated - Development	15,17	73,000	-
Unrestricted funds – Designated - Contingency	15,17	122,271	-
Restricted funds	15,16	39,270	3,945
<b>Members funds</b>		<u>572,385</u>	<u>459,500</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard 102.

These financial statements were authorised for issue by the directors on 15th November 2022 and are signed on their behalf by:

**Director: Hugh Foy**



**Director: Marie Ward**



**Company number: SC136689**

**Charity number: SC019926**

The notes on pages 15 to 26 form part of these financial statements

THE POVERTY ALLIANCE

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net income for the reporting period	112,885	55,749
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	9,794	7,739
(Increase)/decrease in debtors	(254,802)	23,869
Increase in creditors	7,508	101,915
<b>Net cash (used in)/generated from operating activities</b>	<b>(124,615)</b>	<b>189,271</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(12,041)	(8,228)
<b>Net cash used in investing activities</b>	<b>(12,041)</b>	<b>(8,228)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(136,656)</b>	<b>181,044</b>
Cash and cash equivalents at the beginning of the year	541,859	360,815
<b>Cash and cash equivalents carried forward</b>	<b>405,203</b>	<b>541,859</b>

i) Analysis of changes in net debt	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
<b>Cash and cash equivalents</b>				
Cash	541,859	(136,656)	-	405,203
<b>Total</b>	<b>541,859</b>	<b>(136,656)</b>	<b>-</b>	<b>405,203</b>

The notes on pages 15 to 26 form part of these financial statements



## THE POVERTY ALLIANCE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 1. General information

The financial statements are prepared in Pounds Sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. These financial statements represent the results of the charitable company only. The object of the charitable company is to promote the alleviation of poverty.

The Poverty Alliance is a charitable company limited by guarantee, incorporated in the United Kingdom, and registered in Scotland. The charitable company's registered number is SC136689. The address of the charitable company's registered office is:

Standard Building 3rd Floor Front  
102 Hope Street  
Glasgow  
G2 6PH

The charitable company 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. The registered charity number is SC019926, and it is registered with the Office of the Scottish Charity Regulator (OSCR).

#### 2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

##### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention unless otherwise specified within the accounting policies and, in accordance with 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 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

**2. Principal accounting policies (continued)**

**Going concern**

As discussed in the Directors' Report, the charity has secured sufficient funding for the year to 31 March 2023. There are no borrowings, and the charity holds unrestricted funds of £533,115 as at 31 March 2022 and therefore the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

This assessment of going concern includes the expected ongoing impact of COVID-19 to the entity in the 12 months following the signing of these financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

**Income**

Income is recognised and included in the financial statements when all of the following criteria are met:

- The charitable company has entitlement to the funds;
- Any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

*Donations*

Donations are recognised when the charitable company is entitled to the income, receipt is probable, and the amount can be measured reliably.

*Charitable activities*

Grant income received from funders in relation to the projects undertaken in the year. These are recognised as income in the period in which the performance conditions of the project are met.

*Other trading activities*

Monies received to cover the cost of expenses in relation to the projects undertaken in the year. These are recognised as income in the period in which they are receivable.

*Other income*

Bank interest received is credited in full as income in the period to which it relates.

**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.

*Charitable activities*

These comprise those costs incurred by the charitable company in the delivery of its charitable activities and services.

**2. Principal accounting policies (continued)**

**Expenditure (continued)**

*Allocation of support costs*

Support costs are those functions that assist the work of the charitable company but do not directly undertake charitable activities. Support costs include office running costs, payroll, and governance costs. These costs are allocated to expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 9.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment – 20% on cost

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors**

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The charitable company 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.

**Operating leases**

The charitable company classifies the lease of premises as operating leases; the title to the property remains with the lessor. Costs in respect of operating leases are charged on a straight line basis over the lease term.

**Pension costs**

The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable is charged to the Statement of Financial Activities.

## THE POVERTY ALLIANCE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Principal accounting policies (continued)

##### Taxation

As a charity, The Poverty Alliance is exempt from tax on income and gains falling within sections 478-489 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

##### Unrestricted funds

Unrestricted funds are available for use at the discretion of the members in furtherance of the general objectives of the charitable company. Unrestricted funds earmarked for particular purposes by the directors are shown as designated funds. The designation has an administrative purpose only and does not legally restrict the directors' discretion to apply the fund.

##### Restricted funds

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or grant provider.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Board is satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied in determining the depreciation rates which have been based on the expected useful lives of the fixed assets, and the basis of apportionment of support costs which is deemed to be reasonable based on directors' knowledge of the operations of the charitable company.

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
4. Donations		
Donations received in year	<b>7,568</b>	<i>11,137</i>

THE POVERTY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

5. Income from charitable activities

	Unrestricted funds - Core £	Restricted funds - Core £	Restricted funds - LWA £	2022 £
CORE	231,196	-	-	231,196
Living Wage Accreditation	-	-	380,000	380,000
Challenge Poverty Week	-	72,474	-	72,474
End Poverty Edinburgh	-	50,000	-	50,000
Scottish Government Get Heard Scotland	-	185,000	-	185,000
Rights in Action	-	58,050	-	58,050
Fair Food Fund	-	7,500	-	7,500
Peoples Health Trust	-	2,000	-	2,000
Perth & Kinross Child Poverty	-	5,000	-	5,000
Robertson Trust Mentor	-	6,100	-	6,100
University of Glasgow Universal credit	-	1,250	-	1,250
Strathclyde Uni Research	-	7,106	-	7,106
UCLan Peer Research	-	8,600	-	8,600
	<u>231,196</u>	<u>403,080</u>	<u>380,000</u>	<u>1,014,276</u>

	Unrestricted funds – Core £	Restricted funds - Core £	Restricted funds - LWA £	2021 £
CORE	203,024	-	-	203,024
Living Wage Accreditation	-	-	331,500	331,500
Scottish Government Get Heard Scotland	-	185,000	-	185,000
Transport Scotland	-	7,786	-	7,786
Scottish Government Deliverative workshop	-	2,500	-	2,500
End Poverty Edinburgh	-	12,875	-	12,875
City of Edinburgh Council	-	2,100	-	2,100
Challenge Poverty Week	-	68,928	-	68,928
EAPN research	-	3,268	-	3,268
Fife Gingerbread	-	4,167	-	4,167
	<u>203,024</u>	<u>286,624</u>	<u>331,500</u>	<u>821,148</u>

6. Income from other trading activities

	2022 £	2021 £
Reimbursement of expenses	2,037	304
Miscellaneous income	-	30,950
	<u>2,037</u>	<u>31,254</u>

7. Income from other sources

	2022 £	2021 £
Bank interest received	32	53
	<u>32</u>	<u>53</u>

THE POVERTY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

8. Expenditure on charitable activities

	Unrestricted - Core £	Restricted - Living Wage Accreditation £	Restricted - Core £	2022 Total £
Printing, stationery, and postage	12,878	9,239	-	22,117
Consultancy	15,490	-	-	15,490
Venue hire and conference costs	983	877	-	1,860
Sessional payments	3,524	-	-	3,524
Equipment	816	1	-	817
Bank charges	82	-	-	82
Subscriptions	3,065	6,938	-	10,003
Participation	-	(27)	11,161	11,134
IT support	6,668	5,401	-	12,069
Miscellaneous	29,203	12,231	10,372	51,806
Governance costs (note 9)	6,913	4,554	-	11,467
Support costs (note 9)	83,651	334,030	352,978	770,659
	<u>163,273</u>	<u>373,244</u>	<u>374,511</u>	<u>911,028</u>

	<i>Unrestricted - Core £</i>	<i>Restricted - Living Wage Accreditation £</i>	<i>Restricted - Core £</i>	<i>2021 Total £</i>
Printing, stationery, and postage	20,454	12,674	-	33,128
Consultancy	9,944	13,500	-	23,444
Venue hires and conference costs	190	442	-	632
Sessional payments	6,633	1,275	-	7,908
Equipment	-	66	-	66
Bank charges	89	-	-	89
Subscriptions	5,179	3,579	-	8,758
Participation	-	-	5,577	5,577
IT support	1,913	10,319	-	12,232
Miscellaneous	2,551	3,863	12,317	18,731
Governance costs (note 9)	6,024	3,436	-	9,460
Support costs (note 9)	134,845	281,508	271,465	687,818
	<u>187,822</u>	<u>330,662</u>	<u>289,359</u>	<u>807,843</u>

THE POVERTY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

9. Analysis of governance and support costs

The charitable company initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between the key charitable activities undertaken in the year (see note 8). Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	General support £	Governance function £	2022 Total £	Basis of apportionment
Catering and venue hire for directors and other business meetings	42,440	-	42,440	Invoiced events
Legal fees	-	2,317	2,317	Invoiced fees
Salaries, wages and related costs (note 11)	728,219	-	728,219	Allocated on time
Audit and accounting fees	-	9,150	9,150	Governance
	<u>770,659</u>	<u>11,467</u>	<u>782,126</u>	
	<i>General support</i> £	<i>Governance function</i> £	<i>2021 Total</i> £	<b>Basis of apportionment</b>
Catering and venue hire for directors and other business meetings	37,731	1,655	39,386	Invoiced events
Salaries, wages and related costs (note 11)	650,087	-	650,087	Allocated on time
Audit and accounting fees	-	7,805	7,805	Governance
	<u>687,818</u>	<u>9,460</u>	<u>697,278</u>	
<b>10. Net income for the year</b>			<b>2022</b> £	<b>2021</b> £
This is stated after charging:				
Depreciation			9,794	7,739
Auditor's fees - audit			9,130	6,599
Auditor's fees – non-audit fees			2,400	1,206
			<u>21,324</u>	<u>15,544</u>
<b>11. Staff costs</b>			<b>2022</b> £	<b>2021</b> £
The aggregate payroll costs were:				
Wages and salaries			629,274	563,805
Social security costs			61,966	52,216
Other pension costs			36,979	34,066
			<u>728,219</u>	<u>650,087</u>

No employees earned more than £60,000 per annum.

The Poverty Alliance has a stakeholder pension scheme in place, which is administered by Scottish Widows. The scheme is a Personal Pension Scheme whose assets are held separately from that of the charitable company.

THE POVERTY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

11. Staff costs (continued)

The key management personnel are deemed to be the management team at The Poverty Alliance. They received emoluments (including employers NI) of £187,204 (2021: £255,510) and pension contributions of £9,578 (2021: £13,736).

The average number of staff employed by the charitable company during the financial year was:

	2022 No.	2021 No.
Number of Head Office staff	13	8
Number of Project staff	7	8
	<u>20</u>	<u>16</u>

12. Tangible fixed assets

**Cost**

At 1 April 2021

48,548

Additions

12,041

At 31 March 2022

60,589

**Depreciation**

At 1 April 2021

31,289

Charge for the year

9,794

At 31 March 2022

41,083

**Net book value**

At 31 March 2022

19,506

At 31 March 2021

17,259

**Equipment  
£**

13. Debtors

	2022 £	2021 £
Trade debtors	159,443	43,525
Prepayments and accrued income	144,225	5,341
	<u>303,668</u>	<u>48,866</u>

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	30,242	45,053
Tax and social security	16,629	13,289
Accruals and deferred income	102,398	90,142
Other creditors	6,723	-
	<u>155,992</u>	<u>148,484</u>



THE POVERTY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

	Tangible Fixed Assets £	Other Net Assets £	Total 2022 £
<b>15. Analysis of net assets between funds</b>			
Restricted Funds	8,902	30,368	39,270
Unrestricted Funds - General	10,604	327,240	337,844
Unrestricted Funds – Designated - Development	-	73,000	73,000
Unrestricted Funds – Designated - Contingency	-	122,271	122,271
	<u>19,506</u>	<u>552,879</u>	<u>572,385</u>
	<i>Tangible Fixed Assets £</i>	<i>Other Net Assets £</i>	<i>Total 2021 £</i>
<b>Analysis of net assets between funds</b>			
Restricted Funds	5,475	(1,530)	3,945
Unrestricted Funds	11,784	443,771	455,555
	<u>17,259</u>	<u>442,241</u>	<u>459,500</u>

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
<b>16. Restricted funds</b>					
Living Wage Accreditation	3,945	380,000	(373,244)	-	10,701
Challenge Poverty Week	-	72,474	(72,474)	-	-
End Poverty Edinburgh	-	50,000	(50,000)	-	-
Scottish Government Get					
Heard Scotland	-	185,000	(184,215)	-	785
Rights in Action	-	58,050	(30,266)	-	27,784
Fair Food Fund	-	7,500	(7,500)	-	-
Peoples Health Trust	-	2,000	(2,000)	-	-
Perth & Kinross Child Poverty	-	5,000	(5,000)	-	-
Robertson Trust Mentor	-	6,100	(6,100)	-	-
University of Glasgow					
Universal credit	-	1,250	(1,250)	-	-
Strathclyde Uni Research	-	7,106	(7,106)	-	-
UCLan Peer Research	-	8,600	(8,600)	-	-
	<u>3,945</u>	<u>783,080</u>	<u>(747,755)</u>	<u>-</u>	<u>39,270</u>

**Living Wage Accreditation** – This is an initiative funded by the Scottish Government to encourage employers in Scotland to become accredited Living Wage employers.

**Challenge Poverty Week** – This is a Poverty Alliance Initiative designed to provide a platform to allow civil society organisations to highlight the contribution they are making to address poverty and to develop a more ‘positive’ solutions focused approach to discussions regarding poverty. (Joseph Rowntree Foundation funded).

**16. Restricted funds (continued)**

**End Poverty Edinburgh** - End Poverty Edinburgh is an independent group of citizens formed during the latter stages of the Edinburgh Poverty Commission to 'hold the baton' and include voices of experience in efforts to end poverty in the city. It aims to raise awareness of poverty in Edinburgh, influence decision-making within Edinburgh Partnership and beyond and hold the city to account in responding to the Commission's calls to action. It is a practical model of co-production in action. The Poverty Alliance's role has been to support and facilitate the work of End Poverty Edinburgh through a Community Participation Officer who has developed deep relationships with the group as well as bringing their own experience of living with poverty. They connect to Poverty Alliance's expertise and knowledge on the causes and consequences of poverty and methods to tackle a poverty of participation. (City of Edinburgh Council/JRF funded).

**Scottish Government Get Heard Scotland** – Over the last 3 years the Scottish Government's support for the work of the Poverty Alliance has been focused through the Get Heard Scotland project. This project has sought to – Support community and voluntary organisations to contribute to the implementation of Scottish Government's Tackling Child Poverty Delivery Plan (TCPDP), and to the development of Scottish Government and Local Authority/Health Board annual progress reports; Provide feedback and input to Scottish Government and other policy makers on a range of initiatives on the development of policies related to the Child Poverty Act and TCPDP; Contributing to the development of more empowered and engaged communities and individuals on issues of poverty.

**Rights in Action** – The Rights in Action project has 3 main components – 'Know your Rights' workshops to raise awareness of how human rights can be used as a tool in the fight against poverty; Learning groups that create opportunities for community organisations and community members to share experiences, learn and identify community action; Participatory research projects that enable community researchers to generate learning on the overlaps between human rights and intersections of inequality, and undertake action. (Funded by Scottish Government Equality & Human Rights Division/Inspiring Scotland).

**Fair Food Fund** – Research project in conjunction with Glasgow Caledonian University around Scottish Government's Fair Food Fund for Out of School Care.

**Peoples Health Trust** – Consultancy work carried out for Peoples Health Trust. Services include – Provision of monthly monitoring report providing update on current relevant issues in Scotland (health inequalities, community development, social justice, fair work as well as wider relevant political developments); Alerts about opportunities to contribute e.g. to Scottish Government consultations; Stakeholder engagement in areas such as health, communities & social justice.

**Perth & Kinross Child Poverty** – Research support for project in conjunction with Glasgow Caledonian University, commissioned by Perth & Kinross Council to provide focused support for the development of their work to tackle child poverty in the area.

**Robertson Trust Mentor** – Research project conducting a review of literature on mentoring and tutoring as solutions to the poverty related attainment gap.

**University of Glasgow Universal credit** – Research project reanalysing qualitative focus group data on experiences of Universal Credit.

**Strathclyde Uni Research** – Project in conjunction with University of Strathclyde (Fraser of Allander Institute) around modelling to inform the next Child Poverty Delivery Plan in Scotland.

**UCLan Peer Research** – Research project with University of Central Lancashire centring around literature review for Peer Research and Social Action network.

THE POVERTY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

	At 1 April 2020 £	Income (restated) £	Expenditure (restated) £	Transfers £	At 31 March 2021 £
<b>16. Restricted funds (continued)</b>					
Living Wage Accreditation	5,842	331,500	(333,397)	-	3,945
Scottish Government Get Heard Scotland	-	185,000	(185,000)	-	-
Transport Scotland	-	7,786	(7,786)	-	-
Scottish Government Deliverative workshop	-	2,500	(2,500)	-	-
End Poverty Edinburgh	-	12,875	(12,875)	-	-
City of Edinburgh Council	-	2,100	(2,100)	-	-
Challenge Poverty Week	-	68,928	(68,928)	-	-
EAPN research	-	3,268	(3,268)	-	-
Fife Gingerbread	-	4,167	(4,167)	-	-
	<u>5,842</u>	<u>618,124</u>	<u>(620,021)</u>	<u>-</u>	<u>3,945</u>

	At 1 April 2021 £	Income £	Expenditure £	Transfer £	At 31 March 2022 £
<b>17. Unrestricted funds</b>					
General	455,555	240,833	(163,273)	(195,271)	337,844
Development - designated	-	-	-	73,000	73,000
Contingency - designated	-	-	-	122,271	122,271
	<u>455,555</u>	<u>240,833</u>	<u>(163,273)</u>	<u>-</u>	<u>533,115</u>

	At 1 April 2020 £	Income (restated) £	Expenditure (restated) £	Transfer £	At 31 March 2021 £
Unrestricted funds	397,909	245,468	(187,822)	-	455,555

**Development designated fund** – this fund has been designated to help develop future opportunities.

**Contingency designated fund** - this has been created relating to statutory redundancy costs, so that The Poverty Alliance can ensure it can meet any future obligations to staff when required and also to create a long term absence reserve to ensure that any additional unfunded expenditure relating to staffing incurred is able to be met by the organisation.

## THE POVERTY ALLIANCE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 18. Operating lease commitments

At 31 March 2022 the charitable company had total revenue commitments as set out below:

	<b>2022</b>	<i>2021</i>
	<b>Property</b>	<i>Property</i>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	<b>24,000</b>	<i>24,000</i>
Between 1 – 5 years	<b>96,000</b>	<i>96,000</i>
More than 5 years	<b>6,000</b>	<i>30,000</i>
Total lease commitments	<b>126,000</b>	<i>150,000</i>

#### 19. Accounts preparation

In common with many other charitable companies of our size we use our auditor to assist in the preparation of the financial statements.

#### 20. Related party transactions

There were no transactions with related parties during the year (*2021: £nil*). No amounts were due to or from the directors as at 31 March 2022 (*2021: £nil*).

#### 21. Trustees' expenses and remuneration

There were no expenses or remuneration paid to trustees in this financial year (*2021: nil*).

#### 22. Members' liability

The charity is limited by guarantee. In the event of it being wound up the members may be required to contribute a sum not exceeding £1.

#### 23. Prior year adjustment

A prior year adjustment has been included in the financial statements to correct the allocation of restricted income and expenditure which had been previously disclosed as unrestricted. Income totalling £286,624 which had been recorded as unrestricted income in the financial statements for the year ended 31 March 2021 has been reclassified as restricted income. Correspondingly expenditure totalling £286,624 has similarly been reclassified from unrestricted to restricted. These adjustments had no impact on the total income, total expenditure, and net movement in funds, reported in the 2021 financial statements.

**THE POVERTY ALLIANCE**

**DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2022**

	Core £	Living Wage Accreditation £	Other Restricted £	Total 2022 £	Total 2021 £
<b>Income</b>					
Donations	7,568	-	-	7,568	11,137
Grants	231,193	380,000	403,080	1,014,276	821,148
Reimbursement of expenses	2,037	-	-	2,037	304
Miscellaneous income	-	-	-	-	30,950
Bank interest receivable	32	-	-	32	53
	<u>240,833</u>	<u>380,000</u>	<u>403,080</u>	<u>1,023,913</u>	<u>863,592</u>
<b>Expenditure</b>					
Printing, stationery, and postage	12,878	9,239	-	22,117	33,128
Consultancy	15,490	-	-	15,490	23,444
Venue hires and conference costs	983	877	-	1,860	632
Sessional payments	3,524	-	-	3,524	7,908
Equipment	816	1	-	817	66
Bank charges	82	-	-	82	89
Subscriptions	3,065	6,938	-	10,003	8,758
Participation	-	(27)	11,161	11,134	5,577
IT support	6,668	5,401	-	12,069	12,232
Miscellaneous	29,203	12,231	10,372	51,806	18,731
Governance costs	6,913	4,554	-	11,467	9,460
Support costs	83,651	334,030	352,978	770,659	687,818
	<u>163,273</u>	<u>373,244</u>	<u>374,511</u>	<u>911,028</u>	<u>807,843</u>
<b>Surplus</b>	<u><u>77,560</u></u>	<u><u>6,756</u></u>	<u><u>28,569</u></u>	<u><u>112,885</u></u>	<u><u>55,749</u></u>

This page does not form part of the audited financial statements.