



Chance to Study

SCIO : SCo46178

Report of the Trustees and Financial Statements For the year ended 31 December 2020

Remote Operating Licence :	000-045495-R-324705-001
Non Remote Operating Licence :	000-045495-N-329302-001

Chance to Study

SCIO: SCo46178

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Administrative Information

For the year ended 31 December 2020

Chance to Study is a Scottish Charitable Incorporated Organisation incorporated in Scotland and is regulated by the Office of the Scottish Charity Regulator (OSCR).

SCIO registration details

SCIO name:	Chance to Study
SCIO registration number:	SCo46178
Registration date:	4 December 2015
Principal office:	c/o 110 Queen Street Glasgow G1 3BX

Trustees

The Trustees at any point in the period, up to the date of the approval of the financial statements were:



External lottery manager

STV ELM Limited
Pacific Quay
Glasgow G51 1PQ

Independent auditors

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow G2 7EQ

Principal bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP

Website

www.chancetostudy.co.uk



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Report of the Trustees

For the year ended 31 December 2020

Governance, structure and management of Chance to Study

Governing document

Chance to Study is a Scottish Charitable Incorporated Organisation (SCIO) and its activities are governed by its constitution.

Organisational structure

Membership of the SCIO is open to any person (legal or natural) who, in the view of the Charity Trustees, demonstrates a genuine commitment to further the purposes of the SCIO. Application for membership is approved by the Charity Trustees and the member must also be appointed as a Charity Trustee contemporaneously.

Procedures are in place for newly appointed Trustees to receive an induction covering the objectives, policies and protocols for the operation of the SCIO in addition to the legal obligations and responsibilities of a charity trustee. This induction is overseen by the Chairman of the Board or a nominated representative.

The Board of Trustees have outsourced the operation of its lottery activities to STV ELM Limited, a licensed external lottery manager regulated by the UK Gambling Commission. The charity's lottery activities are conducted in association with partner charities Chance to Connect (SC046173), Chance to Succeed (SC046179) and Chance to Flourish (SC046177) and are promoted under the brand of The Scottish Children's Lottery.

STV ELM Limited works with the Board of Trustees and the performance of the lottery activities is reviewed at regular meetings with the Board of Trustees.

Risk management

The principal risks faced by the charity are reputational and financial.

- UK Gambling Licence conditions

Whilst the responsibility for operating the lottery and ensuring the terms of the licence are adhered to lies with the external lottery manager, there is reputational risk to the charity if there are any serious licence breaches which could result in sanctions, financial penalties and revocation of licences. The Board of trustees has oversight to the internal controls that have been put in place by the external lottery manager to ensure that the terms of the operating licence are adhered to.

- Financial risk

Under the arrangements existing at the balance sheet date, if the lottery was unsuccessful, the charity would have a financial liability to STV ELM Limited and the continued existence of the charity would be in doubt. Through the year, this risk was monitored and managed in part through the charity's business plan, and through receipt of a letter of support from STV Group plc, the ultimate parent company of the STV ELM Limited. Subsequent to year-end, as explained on pages 4 and 5, there was a change in the ownership of the external lottery manager. The arrangements for meeting costs and providing working capital are now such that the net asset position of the charity will be maintained.

- COVID-19

The STV ELM Limited team has been working from home since March 2020 and will continue to do so throughout most of 2021. Whilst lockdown has had an impact on retail sales with less customers entering shops on a regular basis this is a relatively small proportion of ticket sales. The vast majority of Lottery ticket sales are online and the SCIO's cash outflows are largely driven by the level of income received, accordingly the impact of COVID-19 on the liquidity position has not been as significant for Chance to Study as for many other organisations.

The Board of Trustees regularly evaluate the risks to which the charity is exposed and the systems in place to manage them. The Board of Trustees consider that the systems in place are adequate to manage the risks faced by Chance to Study.

Obj

The charitable objectives of Chance to Study as set out in its constitution are to support and promote (through financial distributions to charities, community groups and others) education and improvement of health (as it is connected to encouraging and supporting educational opportunities of school aged children and their families/carers). In doing so the financial distributions will seek to alleviate the impact of poverty, financial hardship, disability, illness or socio-economic disadvantage, with the aim of ensuring that all young people in Scotland have the opportunity of a productive future where they can become young adults with a positive contribution to make to society.

To achieve those objectives, the primary activities of Chance to Study are:

- To generate funds through the operation of a society lottery which is regulated by the Gambling Commission under licence 000-045493-R-324703-001. Chance to Study has engaged STV ELM Limited (who operate under the brand name, the Scottish Children's Lottery) as its external lottery manager. This was the case in the year but changed after year end as described later in this report.
- To distribute the net funds generated by the society lottery to charities and other organisations which engage in activities aligned with Chance to Study's charitable objectives as outlined above.



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Report of the Trustees

For the year ended 31 December 2020

Activities

At Chance to Study, our mission is to give Scottish children a better chance.

Through the work we carry out in local communities, including families, carers and other charitable organisations, we strive to promote the education potential of disadvantaged young people across Scotland.

We believe that every child, no matter their background, should be able to learn, develop and fulfil their true potential. The projects we support aim to alleviate the damaging effects that financial hardship, disability, illness and other socio-economic factors have on young lives.

Our society lottery is promoted under the umbrella of the Scottish Children's Lottery. Alongside the other charities in the scheme who operate as the participating society lotteries, we are supported in rotation by the initiative. In the draws from which Chance to Study benefits from the Scottish Children's Lottery, we receive 20% of all revenue raised from tickets sold.

Achievements

In 2020, Chance to Study, was able to make 23 awards to charities all over Scotland. These projects are detailed in note 13. The total value of the grants awarded in 2020 was £291,922 (2019: £350,214).

Projects supported by Chance to Study

The following are some of the projects supported by Chance to Study in 2020.

Concrete Garden

Concrete Garden received a grant of £14,500 from Chance to Study. They are an urban community food growing, play & wellbeing project providing growing space, activities, & volunteering opportunities for the people of Possilpark and the wider North Glasgow area. They work alongside local folk to create a healthier, happier Possilpark by creating opportunities to grow, work, socialise, play & learn together. Their activities are local, free of charge and open access, removing barriers such as money, parental involvement and travel, allowing children to freely engage. Since April 1 - October 31, they have had 106 play sessions, 1947 child attendances, 362 adults' attendances, 350 individual children. The grant was put towards the cost of delivery their Play project.

Measuring success

The evaluation of our investments is essential to ensure that maximum benefit can be derived from the funding we provide.

In the case of larger awards, each project's impact is measured against agreed target outcomes and will typically be required to be reviewed. In recognition that the smaller projects have limited resources, the reporting requirements upon them are less onerous though still necessary to ensure objectives are met.

Future plans

STV Group plc, the ultimate parent company of the STV ELM Limited, has indicated an intention to dispose of STV ELM Limited. In the intervening period it remains the aim of Chance to Study to continue to invest in projects and activities which are focused on working in the areas of community development and citizenship, giving young people in Scotland to live in a safe, supportive and stimulating community. Chance to Study will maintain this as a focus within the current ownership structure. There is no intention for the aims of the organisation to change post disposal.

Going Concern

The Trustees of Chance to Study (the "SCIO") have prepared the financial statements on a basis of going concern for the year ending 31 December 2020, while acknowledging that the SCIO is in a net liability position as at the year-end.

During the year STV Group PLC, the ultimate parent of STV ELM, the External Lottery Manager of the SCIO, publicly communicated their intention to dispose of the STV ELM and the associated SCIOs.

As set out in note 14, the sale to MBC Lotteries Limited was finalised in August 2021. On completion of the sale, all balances due from the SCIO to STV Group PLC were formally forgiven. This debt forgiveness moved the SCIO into a net asset position. Additionally, £400,000 of working capital was provided by the new owners at the point of completion. Under the new management structure, charges for the costs of operation of the lottery will be recouped from available lottery proceeds rather than accruing as liabilities within the SCIO going forward, ensuring the net asset position is maintained.

The Trustees have also considered future budgets and forecasts of the SCIO itself. Following consideration of the above factors, the Trustees deem it appropriate to prepare the financial statements on a basis of going concern.



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Report of the Trustees

For the year ended 31 December 2020

Events subsequent to the balance sheet date

The Scottish Children's Lottery and the associated SCIOs, including Chance to Study, were sold by STV Group PLC to MBC Lotteries Limited in August 2021 following approval by the Gambling Commission. The acquirer is responsible for the provision of lottery management services to the SCIOs from this date.

Financial review of Chance to Study

Chance to Study's activities in the year to 31 December 2020 generated total incoming resources of £1,285,181 (2019: £1,651,679) through the net proceeds of the Scottish Children's Lottery. The operating costs and grants awarded for the year are £1,205,951 (2019: £1,649,923) and the lottery gaming prizes paid are £432,887 (2019: £557,159) resulting in a deficit of £353,657 (2019: £555,403).

Factors relating to the charity's ability to continue as a going concern, despite the net liability position as at the end of the year, are set out on page 4.

A reserve of funds has been retained by Chance to Study so that it can meet its obligations (as a charity and under its gambling licence) to provide support to charities and projects which seek to improve children's education through school years, ensuring that they have the opportunity to learn, develop and fulfil their potential.

Income

20% of all Lottery ticket sales are restricted to be made available for awards to good causes. Of the remaining proceeds from ticket sales an average of 42% covers prizes and the rest is used to cover Chance to Study's share of the operating costs of the Scottish Children's Lottery and general administrative costs of the charity. When the charity's reserves are in a surplus the trustees would expect to hold adequate unrestricted reserves in order to settle commitments to the STV ELM Limited for services provided.

Reserves

The reserves of the charity at 31 December 2020 were a deficit of £3,291,119 (2019: deficit of £2,937,462) of which £3,361,617 (2019: £3,042,846) were unrestricted. These unrestricted funds in deficit are as a result of the lottery being in the growth phase and at this point operating costs are exceeding income and at this point operating costs exceeded income. Restricted funds were in a surplus position as at 31 December 2020. During this year funding requirements have been supported by the STV ELM Limited.

The trustees of Chance to Study strive to keep reserves to a minimum but ensure that the charity's restricted funds are at a level that enables the charity to meet its funding commitments to charitable objectives.

Chance to Study's reserves policy is monitored and reviewed by the trustees on an annual basis in order to maintain reserves at the agreed minimum level.

1. Ring-fenced funds for charitable contributions

As required under the provisions of its gambling licence, Chance to Study must retain a minimum of 20% of the value of ticket sales of any given lottery draw for distribution to good causes in accordance with its charitable objectives. Where, at the year end, not all funds have been committed, the Trustees shall endeavour to identify and evaluate suitable projects to which surplus funds may be awarded.

2. Total Funds of the Charity

Where total funds of the charity as reflected in the balance sheet are reserved, Chance to Study will strive to award all available cash funds to charitable projects and therefore to minimise reserves. Where not all funds have been committed, the Trustees shall endeavour to identify and evaluate suitable projects to which surplus funds that are reserved, may be awarded

Signed on behalf of the Board of Trustees


Trustee and Chairman

Date: 1st September 2021

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Statement of Trustees' Responsibilities

For the year ended 31 December 2020

The trustees (who are also directors of Chance to Study for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees 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. 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Independent auditors' report to the trustees of Chance to Study

Report on the audit of the financial statements

Opinion

In our opinion, Chance to Study's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements, included within the Report of the Trustees and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Statement of Financial Activities (incorporating the income and expenditure account) and the Statement of cash flows for the year then ended; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

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

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Independent auditors' report to the trustees of Chance to Study (continued)

The other information comprises all of the information in the Report of the Trustees and Financial Statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to charity regulations, gambling regulations and UK company law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent

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Independent auditors' report to the trustees of Chance to Study (continued)

manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the inappropriate use of charitable funds, for example through inappropriate awards. Audit procedures performed by the engagement team included:

- enquiring with management to identify any instances of non-compliance with laws and regulations, claims, litigation, fraud or inappropriate use of charitable funds;
- understanding the approach taken by management and the directors to monitor compliance with laws and regulations, to prevent fraud or inappropriate use of charitable funds, and to detect irregularities;
- review of board minutes; and
- incorporating an element of unpredictability into our testing plan.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under that Act (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended)) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Accounts (Scotland) Regulations 2006 (as amended) exception reporting

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers LLP'.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
1 September 2021

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Statement of Financial Activities (incorporating the income and expenditure account) For the year ended 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
Income and endowments				
Other Trading Activities:				
Lottery Gaming Proceeds	2	1,028,145	257,036	1,285,181
Total income and endowments		1,028,145	257,036	1,285,181
Expenditure				
Expenditure on raising funds	3	(1,334,506)	-	(1,334,506)
Expenditure on charitable activities:				
Awards to charitable causes	3	-	(291,922)	(291,922)
Other	3	(12,410)	-	(12,410)
Total expenditure	3	(1,346,916)	(291,922)	(1,638,838)
Net (expenditure) and net movement in funds		(318,771)	(34,886)	(353,657)
Reconciliation of funds				
Total Funds brought forward		(3,042,847)	105,384	(2,937,462)
Total Funds carried forward	10	(3,361,618)	70,498	(3,291,120)

The charity has no recognised gains and losses other than those included in the results above and therefore no separate statement of recognised gains and losses has been presented.

The notes on pages 15 to 17 form part of these financial statements.

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Statement of Financial Activities

For the year ended 31 December 2019

		Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Income and endowments				
Other Trading Activities:				
Lottery Gaming Proceeds	2	1,321,344	330,336	1,651,680
Total income and endowments		1,321,344	330,336	1,651,680
Expenditure				
Expenditure on raising funds	3	(1,916,958)	-	(1,916,958)
Expenditure on charitable activities:				
Awards to charitable causes	3	-	(279,888)	(279,888)
Other	3	(10,237)	-	(10,237)
Total expenditure	3	(1,927,195)	(279,888)	(2,207,083)
Net (expenditure)/income and net movement in funds		(605,851)	50,448	(555,403)
Reconciliation of funds				
Total Funds brought forward		(2,436,995)	54,936	(2,382,059)
Total Funds carried forward	10	(3,042,847)	105,384	(2,937,462)

The charity has no recognised gains and losses other than those included in the results above and therefore no separate statement of recognised gains and losses has been presented.

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Balance Sheet

As at 31 December 2020

	Note	2020 £	2019 £
Current assets			
Cash at bank and in hand	7	18,560	147,168
Debtors	8	59,860	-
Total current assets		78,420	147,168
Liabilities			
Creditors: amounts falling due within one year	9	(3,369,540)	(3,084,631)
Net liabilities		(3,291,119)	(2,937,463)
The funds of the charity			
Unrestricted funds		(3,361,617)	(3,042,847)
Restricted income funds		70,498	105,384
Total charity funds	10	(3,291,119)	(2,937,463)

The Financial Statements were approved by the Board of Trustees On 1st september 2021 and signed on their behalf by Ken Barclay:

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Statement of cash flows

For the year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities:		
Net (expenditure) for the reporting period (as per the statement of financial activities)	(353,657)	(555,403)
Adjustment for:		
(Decrease)/Increase in Creditors	284,909	519,415
Net cash provided by operating activities	(68,748)	(35,988)
Change in cash and cash equivalents in the reporting period	(68,748)	(35,988)
Cash and cash equivalents at the beginning of the reporting period	147,168	183,156
Cash and cash equivalents at the end of the reporting period	78,420	147,168

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Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting policies

Statement of Compliance

The financial statements have been prepared on a going concern basis under the historical cost convention and the requirements of the 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 (FRS 102). Chance to Study is a public benefit entity.

Going Concern

The Trustees of Chance to Study (the "SCIO") have prepared the financial statements on a basis of going concern for the year ending 31 December 2020, while acknowledging that the SCIO is in a net liability position as at the year-end.

During the year STV Group PLC, the ultimate parent of STV ELM, the External Lottery Manager of the SCIO, publicly communicated their intention to dispose of the STV ELM and the associated SCIOs.

As set out in note 15, the sale to MBC Lotteries Limited was finalised in August 2021. On completion of the sale, all balances due from the SCIO to STV Group PLC were formally forgiven. This debt forgiveness moved the SCIO into a net asset position. Additionally, £400,000 of working capital was provided by the new owners at the point of completion. Under the new management structure, charges for the costs of operation of the lottery will be recouped from available lottery proceeds rather than accruing as liabilities within the SCIO going forward, ensuring the net asset position is maintained.

The Trustees have also considered future budgets and forecasts of the SCIO itself. Following consideration of the above factors, the Trustees deem it appropriate to prepare the financial statements on a basis of going concern.

Accounting Period

The financial statements are for the 12 month period to 31 December 2020.

Fund accounting

Unrestricted funds may be used in accordance with the charitable objectives of Chance to Study and at the discretion of the Trustees.

Restricted funds can only be used for specific purposes within the objectives of Chance to Study. Restrictions arise where specified by a donor or where funds are raised for a particular restricted purpose.

Surplus funds may be retained to finance fundraising activities in subsequent years or be used, subject to the charitable objectives of Chance to Study, for additional charitable activities not specifically identified by the Trustees at the year end.

Incoming resources

Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income generated from the sale of lottery tickets and online gaming is recognised before deduction of prizes and operating costs.

Irrecoverable VAT

Irrecoverable VAT is charged to the statement of financial activities where appropriate.

Recognition of financial assets and liabilities

Assets and liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events. They are released when the obligation is fulfilled. Cash, debtors and creditors are held at cost.

Resources expended

Expenditure is accounted for on an accruals basis.

Taxation

Chance to Study is exempt from corporation tax on its charitable activities.

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Notes to the Financial Statements For the year ended 31 December 2020

2 Other Trading Activities

Income and endowments

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Lottery proceeds	969,764	242,441	1,212,205	1,207,444	301,861	1,509,305
Gaming Proceeds	58,381	14,595	72,976	113,899	28,475	142,374
	1,028,145	257,036	1,285,181	1,321,343	330,336	1,651,679

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Lottery proceeds	969,764	242,441	1,212,205	1,207,444	301,861	1,509,305
Lottery prizes paid	(311,288)	(77,822)	(389,110)	(379,150)	(94,787)	(473,937)
Gaming proceeds	58,381	14,595	72,976	113,899	28,475	142,374
Gaming prizes paid	(35,022)	(8,755)	(43,777)	(66,578)	(16,644)	(83,222)
	681,835	170,459	852,294	875,615	218,905	1,094,520

3 Expenditure

	Fundraising Activities £	Charitable Activities £	2020 Total £	Fundraising Activities £	Charitable Activities £	2019 Total £
Expenditure on raising funds:						
Lottery operating costs	458,442	-	458,442	670,320	-	670,320
Lottery prizes	389,110	-	389,110	473,937	-	473,937
Gaming operating costs	24,129	-	24,129	35,280	-	35,280
Gaming prizes	43,777	-	43,777	83,222	-	83,222
Marketing costs	419,049	-	419,049	654,199	-	654,199
Expenditure on charitable activities:						
Awards to charitable causes		291,922	291,922	-	279,888	279,888
Governance costs: audit and tax advisory services		12,271	12,271	-	7,416	7,416
Other - administration costs	139	-	139	2,821	-	2,821
	1,334,646	304,193	1,638,839	1,919,779	287,304	2,207,083

4 Employees

Chance to Study had no employees during the period. The services of individuals were obtained from STV ELM Limited and invoiced to the charity. The monthly average number of full time employees working for the charity but employed and paid by STV ELM Limited during the period was 10. (2019: 10)

The table below shows the total costs for staff working for the charity but employed and paid by STV ELM Limited:

	2020 £	2019 £
Wages and salaries	91,504	99,324
Social Security Costs	10,445	11,338
Other pension costs	2,638	2,864
Total staff costs	104,588	113,526

No employees received total benefits (excluding employer pension costs) of more than £60,000 in the current period. (2019: nil)

5 Trustees' remuneration and benefits

The Trustees of Chance to Study received no remuneration, benefits or expenses during the period.

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Notes to the Financial Statements

For the year ended 31 December 2020

6 Governance costs

	2020 £	2019 £
Audit fees	12,271	6,180

7 Cash at bank and in hand

	2020 £	2019 £
Proceeds account	15	46,849
Charity account	18,545	100,319
	18,560	147,168

8 Debtors

	2020 £	2019 £
Prepayments and Accrued Income	59,860	-

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Commitments to charitable projects	-	36,483
STV ELM Limited	3,348,924	2,992,046
Sundry creditors - accruals	20,616	56,102
	3,369,540	3,084,631

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Notes to the Financial Statements

For the year ended 31 December 2020

10 Movement in funds

	Unrestricted Funds £	Restricted Funds £	2020 £	Unrestricted Funds £	Restricted Funds £	2019 £
Balance of funds brought forward	(3,042,846)	105,384	(2,937,462)	(2,436,995)	54,936	(2,382,059)
Incoming resources	1,028,145	257,036	1,285,181	1,321,344	330,336	1,651,680
Resources expended	(1,346,916)	(291,922)	(1,638,838)	(1,927,195)	(279,888)	(2,207,083)
Balance of funds carried forward	(3,361,617)	70,498	(3,291,119)	(3,042,846)	105,384	(2,937,462)

11 Analysis of net liabilities between funds

	2020			2019		
	Current Assets £	Current Liabilities £	Total Net Liabilities £	Current Assets £	Current Liabilities £	Total Net Liabilities £
Unrestricted Funds	59,876	(3,421,493)	(3,361,617)	46,849	(3,140,144)	(3,093,295)
Restricted Funds	18,545	51,953	70,498	100,319	55,514	155,833
	78,421	(3,369,540)	(3,291,119)	147,168	(3,084,630)	(2,937,462)

Restricted funds are retained from lottery ticket sales and reserved solely for awards to good causes in accordance with the charitable objectives of Chance to Study.

Unrestricted funds are funds available to cover operating costs and any other use subject to the charitable objectives as set out in the constitution of Chance to Study.

12 Related party transactions

The STV ELM Limited is considered to be the only related party with related party transactions. All transactions with this organisation are reflected within the financial statements and annual report. These were the only relevant party transactions while under ownership of STV ELM Limited.

These transactions can be represented as:

	2020 £	2019 £
Operating costs		
Lottery operating costs	(458,442)	(670,320)
Gaming operating costs	(24,129)	(35,280)
Marketing costs	(419,049)	(654,199)
STV ELM Limited	(901,620)	(1,359,799)

A balance of £3,348,924 (2019: £2,992,046) was payable to the STV ELM Limited as at 31 December 2020.

STV ELM provides management services to the charity which include;

Marketing - advertising, player management and promotions services
 Technology - facilitation of ticket sales and player account management
 Compliance - product compliance, risk management and reporting services
 Financial management and accounting, including payment processing and banking services
 Operations management including Customer service and management of all 3rd party suppliers

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For the year ended 31 December 2020

13 Organisations supported by Chance to Study

	£
	2020
Kinship Care Midlothian	5,000
Junction 12	5,000
Govan Home and Education Link Project	5,000
Forth Valley College	5,000
Edinburgh Science Foundation	5,000
Leith School of Art	5,000
The Fair Play Foundation	7,204
One Parent Families Scotland	25,000
FoodShare	25,000
Mayfield and Easthouses Youth 2000 Project	5,000
The Polar Academy	5,000
Formula 24 Fife	5,000
Fairview Specialist School	6,548
YOMO (Young Movers)	7,000
Concrete Garden	14,500
Signpost	16,750
Cheviot Youth	18,181
Ecologia	23,499
Youth Vision	8,400
Sistema Scotland	20,000
One Parent Families Scotland	25,000
Youth Scotland	25,000
The Conservation Volunteers	24,840
Total grants	<u>291,922</u>

All grants paid in the year were made to institutions.

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Notes to the Financial Statements

For the year ended 31 December 2019

13 Organisations supported by Chance to Study

	£ 2019
Children 1st	19,318
Geeza Break	8,840
Impact Arts (Projects) Ltd	27,825
Signpost	13,831
Edinburgh Children's Hospital Charity	9,070
Renfrew YMCA	8,850
Brechin Buccaneers	1,700
Dundee United Community Trust	14,482
St Andrews Ambulance	7,237
Disabled and Carers Information Centre Association	17,893
Stirling Baptist Church	1,620
People Know How	10,000
Hopscotch Childrens Charity	10,000
Collydean Community Centre	6,700
Urban Uprising	4,482
Royston Youth Action	15,000
Tayside Council on Alcohol	10,000
Love Learning Scotland	5,000
Bobath Scotland	10,000
West Lothian Youth Foundation	7,500
Sunshine Wishes Children's Charity	6,000
Scottish Youth Dance	8,240
Smart Stems	10,000
CU Trsut Scotland	10,000
Inverclyde D of E Support Group	4,950
Aberlour Child Care Trust	10,000
Reidvale Adventure Play Association Grant	8,377
Readforgood	5,000
Caledonian Education Trust	10,000
Eco Drama	10,000
Scottish Schools Education	2,813
One Parent Families Scotland	10,000
Getting Better Together	8,560
Disabilities Fife	9,926
The Wynd Centre	5,000
Penumbra	10,000
St Vincents Hospice	10,000
Edinburgh Model UN Society	2,000
Total grants	<u>350,214</u>

All grants paid in the year were made to institutions.

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For the year ended 31 December 2020

14 Events subsequent to the balance sheet date

The Scottish Children's Lottery and the associated SCIOs, including Chance to Study, were sold by STV Group PLC to MBC Lotteries Limited in August 2021 following approval by the Gambling Commission. The acquirer is responsible for the provision of lottery management services to the SCIOs from this date.