

FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)

KNOWN AS CIRCLE

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2015



**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

Legal and administrative information

Directors

The Very Reverend Ian Barcroft (appointed 10.02.06)
David Johnson (appointed 10.02.06)
Norma Baldwin (appointed 13.03.06)
Barry Rose, Chair (appointed 13.03.06)
Caroline Lamb, Treasurer (appointed 13.03.06)
Tracey Ashworth-Davies (appointed 19.06.06)
Peter Doran (appointed 06.09.10)
Wendy Paterson (appointed 06.09.10)

Chief Executive and Secretary

Elizabeth Dahl

Advisory Panel Members

Ewan Aitken	Oliver Aldridge
Val Cox	Dan Gunn
Chris Hawkes	Mary Hepburn
Romy Langland	Julie Taylor

Registered Office

18 West Pilton Park
Edinburgh
EH4 4EJ

Auditors

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

CAF Bank Ltd	Santander	Airdrie Savings Bank
25 Kings Hill Avenue	2-3 Triton Square	56 Stirling Street
Kings Hill	London	Airdrie
West Malling	NW1 3AN	ML6 0AW
Kent		
ME19 4JQ		

Solicitors

Lindsays
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

Operating name: Circle

Charity number: SC037181

Company number: 296943

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

DIRECTORS' REPORT

The Directors submit their report together with the financial statements for the year ended 31 March 2015.

Objectives and activities

The objects of the charity as stated in the Memorandum of Association are:

- To provide help, support and protection to children, families and individuals who are in conditions of poverty, vulnerability or distress or who are otherwise in need by reason of their personal, social or economic circumstances; and
- To advance education, policy and practice in health and social services through study of conditions that harm children and families and through dissemination of the knowledge gained through that study and the experience of service provision.

The charity revised the Memorandum of Association and Articles of Association in July 2014. There was only a word change from "harm" to "affect" in the Memorandum. In the Articles the change was about improving the process of election of members and Directors.

The charity has the general aim of promoting the social inclusion of families with children marginalised by poverty and discrimination. The charity's purpose is to improve the lives of children by strengthening families.

Our objectives are:

- To protect and promote the best interests of children
- To support marginalised families with children to develop a self-supporting and effective family life
- To provide holistic and preventative services
- To establish locally based, effective, accessible and flexible services
- To work in partnership with other agencies to promote integrated services
- To support student learning and post qualifying learning and development
- To develop and disseminate good practice to influence policy and practice

To do this we provide a range of family support services that take a strength based and solution focussed approach and focus on:

- Families with children affected by parental drug and alcohol use
- Families with children affected by parental imprisonment
- Families with children looked after by kinship carers as a result of the above
- Families with children at risk of school exclusion and parents who find it difficult to engage with school
- Fathers in their role as parents

The strategies employed to achieve the charity's objectives are:

- To provide preventative and intensive family support services.
- Family support - to strengthen the ability of children and families to manage the threat, process and consequences of personal challenges and to help develop and strengthen the skills and resourcefulness of families in caring for their children.
- Work with schools – to improve the educational opportunities of children, prevent school exclusion and improve the relationship between families and schools.
- Early years work - to promote the best possible start in life.
- Student learning – to support the development of the future social care workforce through providing student placements.
- Workforce development - through continuous professional development and the dissemination of good practice.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

DIRECTORS' REPORT (CONTINUED)

The charity's areas of activity are described below.

Circle Edinburgh provides the following services:

- Project which supports families with children in Edinburgh affected by parental drug and alcohol use and young people who use drugs and alcohol and their families. Workers offer support to all family members. (Harbour Project)
- Project which supports families with children who are being looked after by kinship carers as a result of parental drug and alcohol use, imprisonment, mental health. This service will end in April 2015. (Kinship Care Project)
- Project based in Muirhouse which provides outreach family support and centre based playgroups and crèches to families with children; individual and group support to fathers; individual and group support to children who may have experienced family, community or school based difficulties; after school activities for children; groups for parents. (Haven Project)
- Project based in Pilton linking 5th and 6th year pupils with primary aged children who are struggling in mainstream schools. The mentoring service runs after school in term time and aims to improve the educational and social skills of the children involved. (ISSEP)
- Placements for social work students, who experience a rich mix of learning opportunities. (Practice Learning)

Circle Lanarkshire provides the following services:

- Project which supports families with children in North and South Lanarkshire who are affected by parental drug and alcohol use.
- Placements for social work students, who experience a rich mix of learning opportunities. (Practice Learning)
- Action: Lone Parents, based in North Lanarkshire, is a new partnership between Circle, Routes to Work Limited, Greater Easterhouse Money Advice Project, One Parent Families Scotland and Voluntary Action North Lanarkshire. The Project which started in June 2013 aims to support lone parents to improve their employability prospects.

Circle West Lothian provides the following service:

- Project which supports families with children in West Lothian who are affected by parental drug and alcohol use. This is a new partnership between Circle and West Lothian Drug and Alcohol Service (WLDAS) and started in April 2014.
- West Lothian Public Social Partnership (PSP) called Supporting Families is a new partnership between Circle, Barnardos, Family and Community Development and West Lothian Council which started in February 2014 to support families with a range of issues who are 'just coping' to minimise the risk of crisis and to reduce the need for statutory intervention.

Circle East and Midlothian provides the following services:

- Project which supports families with children in East and Midlothian who are affected by parental drug and alcohol use, this project started in July 2013.
- East Lothian PSP called Supporting Families in East Lothian is a new partnership between Circle, Children 1st and East Lothian Council which started in January 2014 to provide intensive support to families with children under eight who are struggling but had not yet met criteria for statutory interventions.

Circle FABI (families affected by imprisonment) provides the following service:

- Project which has workers who identify and support men in HMP Addiewell who are fathers and have children affected by parental drug and alcohol use and who are returning to their families and communities in West Lothian and North and South Lanarkshire. The workers also provide community based support to the fathers and their families.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

DIRECTORS' REPORT (CONTINUED)

- National Women's Mentoring PSP called Shine is a partnership between SACRO, the lead partner, Circle, Venture Trust, Turning Point, Access to Industry, Barnardo's, Apex and The Wise Group. It started in April 2013 and Circle's role is to support mothers in prison, on remand and on community orders and their families.
- National Prolific Male Offenders PSP called New Routes is a partnership between The Wise Group, the lead partner, Circle, SACRO, Apex, SAMH, Turning Point, Families Outside, Relationships Scotland and YCSA. It started in April 2013 and Circle's role is to support fathers in prison and their families.

Achievements and performance from April 2014 to March 2015

This has been a successful year for Circle. Listed below are some of our highlights.

The number of service users benefiting from our services

Between April 2014 and March 2015 Circle provided whole family support to 709 families comprised of 1,332 children, 1,028 parents, 119 kinship carers, 2,479 family members. In addition, through Circle's Haven project we also provided group work programmes to 155 children, 138 parents who were not accessing our family support services. Through Circle's work with PrePare, we supported 15 children and 15 parents. In total Circle worked with 2,802 family members, a 7% increase on the previous year.

351 families reported improved health and well-being.

341 families reported that they had increased equality of opportunity.

286 families reported that their children were living in safer, more secure and stimulating home environments.

270 families reported that their children were making a positive contribution in school and in the community.

298 families reported that they now lived in safer community environments.

Diversify our funding base and spreading our funding risk

Circle's income has increased by 8% this financial year to £2,218,149. In addition to funding streams already in place, we were delighted by the following new funding.

Circle, in partnership with WLDAS, was successful in our joint bid to West Lothian Council for services for children, young people and families affected by drug and alcohol misuse. The total value of the contract is £559,110 for a three year contract period from April 2014 to March 2017. Circle receives £105,000 per year. This enables Circle to employ two family support workers and a project manager.

Circle made a successful bid to Big Lottery's Investing in Communities Fund and was awarded £753,260 over two years from April 2014 to March 2016. This enables Circle to employ eight family support workers across Edinburgh, West Lothian and North and South Lanarkshire and a project manager.

Circle made a successful bid to the Early Years Partnership Fund Edinburgh and was awarded £45,000. In April 2014 Circle was able to appoint a new family worker to work with expectant and new fathers in partnership with the Edinburgh PrePare Project for expectant/new mothers with drug and alcohol issues.

Circle made a successful bid to Lloyds TSB Foundation for Scotland and was awarded £79,964 over two years from April 2014 to March 2016. This enables Circle to employ a family support worker in East Lothian.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

DIRECTORS' REPORT (CONTINUED)

In April 2014 Foundation Scotland (Volant Trust) awarded Circle £30,000 over three years towards the cost of a pilot project to provide family support to pregnant and new mothers with learning difficulties. Sadly, we had to return this money in April 2015 as Circle was unable to raise the match funding to fully fund this work.

In April 2014 Circle changed its main Banking service from The Co-operative Bank to the CAF Bank in order to reduce financial risk.

Between June 2014 and March 2015, with financial support from the Robertson Trust, Circle's Board and Management team have been working with a Fundraising Consultant to develop a three year Corporate Fundraising Strategy 2015 to 2018 to further diversify our funding base.

Being at the forefront of expertise on children and families

Circle is committed to the personal development of the families we work with. Here are some of the new experiences that families benefited from.

In April 2014, seven families from Edinburgh benefited from caravan holidays in Pitlochry funded through Edinburgh ADP; the funding also covered transport to and from the holiday and activity passes which allowed the children to experience horse riding, archery, water activities and golf. For most of these families this was their first ever holiday.

In May 2014, 28 Circle staff members and friends ran in the Edinburgh marathon festival and raised £5,848 and in June 2015 a Circle staff member did a seven day solo cycle from John O' Groats to Land's End and raised £1,380. The grand total, £7,228 covered the cost of summer holiday activities and outings for families. These included trips to Edinburgh Zoo, Blair Drummond Safari Park, M&D's and Almond Valley Heritage Park.

In June 2014 Awards for All awarded Circle £6,900 to set up and run a Kinship Care Choir in partnership with Sing in the City. The choir started in September 2014 and is open to all kinship carers living in Edinburgh. They had their first public performance in December 2014 which was filmed and was shown on the local TV station in March 2015.

In July 2014 Awards for All awarded Circle's Haven Project £10,000 to run a variety of activities for families over the summer months and beyond.

In July 2014, 49 children enjoyed week long camping trips in a variety of settings throughout Scotland. These holidays were coordinated by a staff member from the FABI team and were funded by the Prison Fellowship and organised and staffed by the Scripture Union.

Circle received 23 tickets for the BBC Concert at the Castle and on 19 July 2014 young people from Circle's Kinship Care and Harbour projects attended this event. The young people had a fantastic time despite the poor weather.

In July 2014 a number of families Circle works with were able to attend the Commonwealth Games thanks to Cash for Kids who organised the tickets and paid for fares and food.

In August 2014, a number of families from the Haven Project took part in a storytelling week; the week was a great success and resulted in a fantastic story named "The Sandpit Volcano". The story was published as a book using the children's artwork and the book was launched in November 2014.

In November 2014 the Tartan Army Children's Charity awarded Circle with 10 pairs of tickets along with Scotland strips and spending money for two international Scotland games. 10 very happy children and 10 equally happy parents attended.

In December 2014, Lickety Spit Theatre Company provided 50 tickets to Circle for families to attend their Christmas production at North Edinburgh Arts Centre.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

DIRECTORS' REPORT (CONTINUED)

In December 2014 the Lord Provost provided Circle with five tickets for a kinship care family to be his guests at a production of Aladdin at the King's Theatre. The three children who attended with their carers received ice cream, a selection box, a Christmas present and got to meet the cast.

Between April 2014 and March 2015 staff applied for individual grant for families and raised £7,940 to improve the home environments of the families Circle works with, through the purchase of white goods and furniture.

Being a leader in people development and engagement

Circle is committed to the continuous professional development of its staff. We do this through supervision, team meetings, quarterly Staff Development Days, annual appraisals, and regular input from our Advisory Panel members. We also provide practice learning opportunities for social work students which are supervised by staff who are practice teachers.

Between April 2014 and March 2015 Circle provided 20 placements to students from Edinburgh, Stirling and Glasgow universities.

Between April 2014 and March 2015 Circle employed two former students as family support workers.

In April 2015 two longstanding managers left Circle and we were able to appoint two internal candidates to the posts.

Between April 2014 and March 2015 Circle's Board, Management team and Project teams undertook succession planning exercises.

In May 2014 Circle held a retirement party for Mae Duncan and Bob Griffiths who had both been with the organisation for over 30 years. A huge number of families who they had worked with over that time attended the celebration.

In June 2014 the staff were issued new phones which allows them to have enhanced communication with their families, the organisation and partner agencies. A number of the staff are now trained and active in using their phones for social media to raise the profile of Circle and the work that they do.

Between July 2014 and October 2014 all managers and staff undertook Intrelate outcomes training to improve how they monitor and evaluate their work with families.

Between July 2014 and March 2015 Circle's Practice Policies and Procedures Manual was reviewed and updated to ensure best practice.

Between August 2014 and February 2015 three Advisory Panel members attended Management team meeting to share their skill knowledge and experience.

In October 2014 the Clothworkers' Foundation awarded Circle £8,400 to purchase 10 new laptops for family support workers to enable them to work more effectively with families.

In January 2015, in preparation for Pension Auto Enrolment, Circle appointed an IFA consultant to ensure we chose the best pension scheme available. In March 2015 after consultation with staff it was agreed to transfer staff from Circle's current pension scheme to the new pension scheme.

Being a leading voice on children and families

In April 2014 Circle held a birthday party in West Lothian to celebrate 10 years of working with families with children affected by parental drug and alcohol and to launch our new three year partnership with WLDAS.

In April 2014 two members of staff presented at the International Conference on Practice Teaching at the University of Strathclyde.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

DIRECTORS' REPORT (CONTINUED)

Between September 2014 and January 2015 Circle commissioned Bob Wylie to make a number of short films with families, students, staff and partner agencies to showcase our work.

In October 2014 Circle held its annual lecture to celebrate 40 years of practice learning. The lecture was given by Professor Bill Whyte from Edinburgh University and a former social work student who did a placement at Circle (then FSU) many years ago.

In October 2014 a staff member and a mother presented at the Scottish Drugs Forum's Conference on Circle's work with families with children affected by parental drug and alcohol use.

In November 2014 Circle's family support worker based with PrePare won an award at the Edinburgh Children and Families Achievement Awards for the innovative partnership work to give fathers a voice in their children's futures.

In January 2015 a staff member and a mother presented at a Holyrood Conference on Women in the Criminal Justice System on Circle's work with families with children affected by parental imprisonment.

In January 2015 Edinburgh University hosted a Circle seminar titled 'Working with Fathers: Promoting the positive involvement of fathers in vulnerable families' to share the finding of research Circle's Development Manager had undertaken with fathers and practitioners from a number of agencies working with families. Three of the fathers Circle works with took part in the panel discussion.

In March 2015 a staff member was nominated as Practice Teacher of the Year and another staff member was nominated as Social Worker of the Year at the annual Social Work Awards held at the Assembly Rooms.

Structure, Governance and Management

Family Service Unit Scotland was established in order to take over the Scottish undertakings of the former Family Service Units.

Governing Document

Family Service Unit Scotland is a company limited by guarantee governed by its Memorandum and Articles of Association dated 10 February 2006 (revised July 2014). It is registered as a Scottish charity with OSCR. The Board is the governing body of Family Service Unit Scotland. The members of the Board are both directors of the Company and trustees of the charity. Family Service Unit Scotland is known as Circle.

Appointment of Directors

As set out in the Articles of Association at an Annual General Meeting the Company may by ordinary resolution (subject to Article 79) appoint or reappoint as an elected Director any member in respect of whom a written notice of willingness has been received in compliance with Article 76.

Director induction and training

New Directors undergo an induction process to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision making processes, the business plan and recent financial performance of the charity. During induction they meet other Directors and key employees. Directors are encouraged to attend appropriate internal and external training events to facilitate the undertaking of their role.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

DIRECTORS' REPORT (CONTINUED)

Organisation

The Board of Directors, which must have a minimum of six members and a maximum of 12 members, governs the charity. The Board is required to meet no fewer than 4 times per year and is currently meeting on a two-monthly basis. There is one sub-committee, an audit group which meets on a regular basis. A Chief Executive is appointed by the Directors to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Directors, for operational matters including finance, employment and service delivery activity. The Board of Directors is aware of the need to regularly review its composition to manage succession planning and to ensure that the Board contains an appropriate mix of skills and experience; this process is kept under regular review at Board meetings. The Board also recognises the significant contribution which is made to our activities by volunteers.

Related parties

Ian Barcroft who is a Director of Family Service Unit Scotland is also the Rector of St Mary's Episcopal Church. In his role as Rector, he also supports the work of St Mary's Family Support Project and both organisations have a partnership agreement to deliver services in Hamilton, South Lanarkshire.

Barry Rose who is Chair of the Board of Directors of Family Service Unit Scotland, was Chair of the Board of Baillie Gifford Shin Nippon plc. and is a Director of Aberdeen Smaller Companies High Income Trust plc. Circle's Board meets in premises owned by or associated with both these companies. No payment is made for use of these premises.

Risk Management

The Directors have a risk management strategy in place and the risk assessment process is designed to record the significant risks the charity faces, to allocate responsibility for their mitigation along with associated management actions and timescales and to record management processes designed to minimise risks.

Circle has a range of key policies in place which include HR, Health & Safety, Finance and Practice. These are regularly reviewed with our HR advisers and audit group.

It is recognised that in pursuit of our normal activities we may choose to accept some risks and it is the responsibility of management to identify, report and control these risks. Finance and fundraising is the biggest risk faced by the organisation and a finance and fundraising strategy has been developed to address this.

The risk assessment is reviewed twice a year by the Directors.

Financial Review

The Directors have continued to ensure that the organisation has a clear and robust approach to financial planning, income generation and financial control and the members of the Board and the Audit Group all play a major role in this.

The Directors are pleased to report a positive financial result for the period. Costs were contained within budget, and incoming resources exceeded outgoing resources in the year by £173,027. Unrestricted funds show a surplus for the year of £29,977.

Investment Policy

The cash reserves of the organisation are held in interest bearing accounts. The Directors keep this arrangement under regular review and pay particular attention to the requirement to ensure that sufficient liquidity is maintained to enable the organisation to manage its commitments, taking into account the uncertainty attached to the timing of receipt of large proportions of its income.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

DIRECTORS' REPORT (CONTINUED)

Principal Funding Sources

The principal funding sources for the charity are by way of grant and contract income from the City of Edinburgh Council, West Lothian Council, Scottish Government and payments from Universities for practice placements for student social workers. The charity is also receiving one to three year grants from a number of large trusts and foundations, including Lloyds TSB Foundation for Scotland, Comic Relief, The Robertson Trust, Henry Smith Charity, R S Macdonald Charitable Trust and Big Lottery. The charity has benefited hugely from personal donations and personal Trusts.

Reserves Policy

The Directors' long term aim is to ensure that the charity builds up general funds equivalent to approximately six months running expenses for the total organisation. At current levels of activity that is equivalent to around £1,023,000. The Directors consider that this level of reserves is one which is prudent considering the level and extent of risks associated with funding streams which the charity is required to manage. They continue to work towards this figure, recognising that this becomes more stretching as the organisation grows. Currently, unrestricted funds stand at £434,174.

Pension Fund

The Directors are aware of the potential costs and liabilities associated with its pension fund arrangements and have kept this under constant review over the last year. To help to mitigate this risk, in April 2012 they took the decision to revise its pension fund arrangements from a defined benefits scheme to a defined contribution scheme for new members and future accruals in respect of existing members. During the course of 2014/15 the Directors further considered the position and, after taking independent advice, agreed that from 1st April 2015 they would no longer offer the CARE pension scheme. Instead, from 1st April 2015 Circle made arrangements for staff to be enrolled in a defined contribution scheme offered by the Royal London, this scheme is also used for the auto enrolment arrangements which Circle was required to offer from 1st April 2015.

Plans for Future Periods

Circle plans to continue the activities outlined above in the forthcoming year subject to satisfactory funding arrangements. The major financial concern for the charity is its reliance on short term and uncertain funding sources, the introduction of Public Social Partnerships, tendering for contracts and the reduction in ring fenced funding to Councils. This means that fundraising in support of existing services and new developments will remain a key priority of the charity.

Circle will seek funds in support of the following areas of activities:

- Project funding - where the current income associated with a project is insufficient to cover the total cost and where the project is thus required to demonstrate that action is in hand to address this position.
- Quality assurance and sustainability – the charity will continue efforts to generate funds to cover organisation costs. These include the costs of central support systems such as finance, payroll, HR and IT support, the costs of supervision, management, quality assurance and regulatory costs. The charity has the strategic aim of covering all these costs through overall project funding; however it recognises that this may not always be possible and that some flexibility is required. It will therefore continue to make appropriate applications for organisation and development costs.
- Development and innovation – the charity wishes to develop further its capacity to identify new service needs and pilot innovative projects to support these. This requires an element of funding to be available to respond to policy change and undertake assessments of need.

In seeking to support these areas of our work we will target the following potential sources of funds:

- Charitable trusts and foundations – we have again been successful in attracting new funding.
- Corporate and individual donors

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

DIRECTORS' REPORT (CONTINUED)

Statement of Directors' Responsibilities

The Directors (who are also trustees of Family Service Unit Scotland for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



CAROLINE LAMB
Treasurer, Board of Directors

27/07 2015

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

We have audited the financial statements of Family Service Unit Scotland for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors (who are also the trustees of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance 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).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting periods 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 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 from the requirement to prepare a strategic report or in preparing the Directors' Report.

A handwritten signature in black ink, appearing to read 'Jeremy Chittleburgh'.

Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)

For and on behalf of

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh, EH3 6NL

31 July 2015

Chiene + Tait is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE

STATEMENT of FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

For the year ended 31 March 2015

	Note	Un- Restricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income – donations and grants		31,663	-	31,663	30,260
Investment income – bank interest		3,569	-	3,569	2,352
<i>Incoming resources from charitable activities</i>	2	-	2,182,917	2,182,917	2,018,879
Total incoming resources		35,232	2,182,917	2,218,149	2,051,491
Resources expended					
<i>Cost of generating voluntary income</i>	3	188	-	188	814
<i>Charitable activities</i>	4	-	2,039,867	2,039,867	1,929,112
<i>Governance costs</i>	6	5,067	-	5,067	5,289
Total resources expended		5,255	2,039,867	2,045,122	1,935,215
Net incoming resources and net movement of funds		29,977	143,050	173,027	116,276
Reserves brought forward		404,197	288,776	692,973	576,697
Reserves carried forward	14,15	434,174	431,826	866,000	692,973

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 23 form part of these financial statements.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

BALANCE SHEET

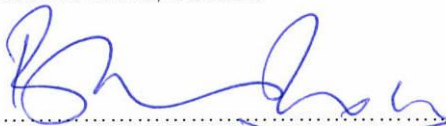
As at 31 March 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	10		11,600		15,887
Current assets					
Debtors	11	103,612		96,139	
Cash at bank and in hand		869,688		762,801	
		-----		-----	
		973,300		858,940	
Creditors: amounts due within one year	12	118,900		181,854	
		-----		-----	
Net current assets			854,400		677,086
			-----		-----
Net assets			866,000		692,973
			=====		=====
Reserves					
Unrestricted funds	15		434,174		404,197
Restricted funds	14		431,826		288,776
			-----		-----
			866,000		692,973
			=====		=====

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Directors on 27/3/15 2015 and are signed on their behalf by:


.....
Caroline Lamb, Director


.....
Barry Rose, Director

Company No. SC296943

The notes on pages 15 to 23 form part of these financial statements.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (FRSSE) (effective April 2008), and the Statement of Recommended Practice 2005 – Accounting and Reporting by Charities, and with the Memorandum and Articles of Association.

Going Concern

The financial statements have been prepared on a going concern basis. The directors have assessed the charitable company's ability to continue as a going concern and have reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Donations, legacies and similar incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Investment income

Income from all investments is included in the year in which it is receivable.

Grants receivable

Grants received, including capital grants, are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is certain they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Where grants are specifically made for the performance of charitable activities in a period subsequent to the year-end they are deferred and excluded from the Statement of Financial Activities.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities, with the exception of support costs which have been allocated to activities on the basis of the proportion of total staff involved in each category. Costs of charitable activities consist of those applied by the charity in meeting its charitable objectives. Governance costs include the costs of general governance of the charity as opposed to direct management inherent in meeting charitable objectives, and are those associated with strategic, constitutional and statutory requirements.

Tangible fixed assets

All fixed assets over £500 are initially capitalised at cost, plus any incidental costs of acquisition.

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:

Computer equipment – 33.3%

Telephone equipment – 10%

Funds

Unrestricted general funds are the funds which can be used in accordance with the charitable objects at the discretion of the directors. Restricted funds are the funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2015

1. Accounting policies (Contd.)

Pensions

The company participates in a multi-employer defined benefit pension scheme in respect of members admitted prior to 1 April 2012. In respect of these existing members, and any new members to the scheme, benefits accruing from 1 April 2012 are derived from defined contributions, further details of which are included in note 18. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

2. Incoming resources from charitable activities	Restricted Funds £	Total 2015 £	Total 2014 £
Support for families and kinship carers	353,133	353,133	352,513
Support for families with children affected by substance abuse	1,210,032	1,210,032	1,085,738
Support for families with children affected by parental imprisonment	489,832	489,832	478,141
Support with employability for lone parents	46,520	46,520	27,487
Developmental Activities	83,400	83,400	75,000
	-----	-----	-----
	2,182,917	2,182,917	2,018,879
	=====	=====	=====

3. Cost of generating voluntary income	2015 £	2014 £
Other fundraising costs	188	814
	=====	=====

4. Charitable activities	Direct Costs £	Support Costs £	Total 2015 £	Total 2014 £
Restricted				
Support for families and kinship carers	452,433	58,421	510,854	337,988
Support for families with children affected by substance abuse	812,926	95,751	908,677	1,015,768
Support for families with children affected by parental imprisonment	432,120	52,004	484,124	470,099
Support with employability for lone parents	42,233	4,326	46,559	25,801
Developmental Activities	80,745	8,908	89,653	79,456
	-----	-----	-----	-----
	1,820,457	219,410	2,039,867	1,929,112
	=====	=====	=====	=====

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2015

5. Support Costs	Wages and Professional		Total 2015	Total 2014
	Salaries	Costs		
	£	£	£	£
Restricted				
Support for families including kinship carers	54,369	4,052	58,421	44,473
Support for families affected by parental substance abuse	89,271	6,480	95,751	97,445
Support for families with children affected by Parental imprisonment	48,736	3,269	52,005	51,621
Support with employability for lone parents	4,057	269	4,326	2,464
Developmental Activities	8,127	780	8,907	8,805
	-----	-----	-----	-----
	204,560	14,850	219,410	204,808
	=====	=====	=====	=====

Support costs are allocated to activities on the basis of the proportion of staff numbers involved in each activity.

6. Governance costs	2015	2014
	£	£
Auditor's remuneration - audit services	3,125	3,125
- non-audit services	745	867
Directors' liability insurance	1,197	1,297
	-----	-----
	5,067	5,289
	=====	=====

7. Net outgoing resources	2015	2014
	£	£
This is stated after charging:		
Auditor's remuneration – audit services	3,125	3,125
Rentals payable in respect of operating leases – land and buildings	27,058	27,058
	=====	=====

8. Staff costs	2015	2014
	£	£
Wages and salaries	1,489,851	1,419,172
Social security costs	146,221	124,473
Pension costs	75,558	65,385
Staff travel costs	103,182	106,445
	-----	-----
	1,814,812	1,715,475
	=====	=====

The average full time equivalent number of employees during the period was 53 (2014: 54).

No individual employees earned £60,000 or more during the period (2014: £Nil). None of the directors were remunerated for their duties as directors during the year. Out of pocket expenses totalling £Nil (2014: £Nil) were reimbursed during the year in respect of two directors.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2015

9. Taxation

Family Service Unit Scotland's charitable activities fall within the exemptions afforded by part 11 of the Corporation Tax Act 2010. Accordingly, there is no Corporation Tax charge in these financial statements.

10. Fixed Assets	Computer & Telephone Equipment	£
Cost		
At 1 April 2014		41,973
Additions		8,376

At 31 March 2015		50,349

Accumulated depreciation		
At 1 April 2014		26,086
Charge for year		12,663

At 31 March 2015		38,749

Net book value		
At 31 March 2015		11,600
		=====
At 31 March 2014		15,887
		=====

11. Debtors	2015	2014
	£	£
Other debtors	82,439	84,850
Prepayments	21,173	11,289
	-----	-----
	103,612	96,139
	=====	=====

12. Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	6,933	9,850
Other creditors and accruals	20,523	7,590
Other taxes and social security costs	41,452	46,410
Deferred income (Note 13)	49,992	118,004
	-----	-----
	118,900	181,854
	=====	=====

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2015

13. Deferred income

Deferred income consists of the following balances, all of which relate specifically to periods subsequent to 31 March 2015:

	2015	2014
	£	£
East and MidLothian	-	40,188
Big Fund	30,922	49,446
Comic Relief	10,070	19,370
Early Years Partnership Development	9,000	9,000
	-----	-----
	49,992	118,004
	=====	=====

14. Restricted funds	Brought Forward	Incoming Resources	Resources Expended	Transfer of funds	Carried Forward
	£	£	£	£	£
West Lothian	5,714	127,280	94,277	-	38,717
Harbour	16,586	326,726	250,335	-	92,977
Haven	578	115,599	99,220	-	16,957
Sure Start	-	63,017	61,874	-	1,143
Practice Teaching	15,770	38,724	53,739	-	755
Kinship Care	22,660	135,793	134,522	-	23,931
Shine PSP	37,077	362,019	349,067	-	50,029
Addiewell	16,362	127,813	135,058	-	9,117
Early Intervention Project	97,626	390,009	395,393	-	92,242
East and Midlothian Family Support	30,757	105,000	75,196	-	60,561
Action Lone Parents	1,686	46,520	46,559	-	1,647
Children with Learning Disabilities	4,321	-	261	-	4,060
East Lothian Family Support	6,897	63,800	57,310	-	13,387
Early Years Partnership Development	2,049	57,667	58,875	-	841
West Lothian Family Support	4,861	99,568	103,928	-	501
East Lothian Lloyds TSB	-	39,982	34,601	-	5,381
Development Work	25,832	83,400	89,652	-	19,580
	-----	-----	-----	-----	-----
	288,776	2,182,917	2,039,867	-	431,826
	=====	=====	=====	=====	=====

The use of the funds held in each of the restricted funds identified above is limited to the purposes for which the projects were established and for which funding was made available.

Details of the nature of each fund are noted below:

West Lothian

Supports families with children who are affected by parental drug and alcohol use living in West Lothian.

Harbour Project

Supports families with children affected by parental drug and alcohol use and young people who are using substances living in Edinburgh.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2015

14. Restricted funds (Contd.)

Haven Project

Supports children and families in the North Edinburgh area, this includes whole family support, groups for parents and crèches for families with children under 5; individual and group support to children who may have experienced school based difficulties and after school activities.

Surestart

Supports families with young children, this includes outreach support for families and individual and group support to fathers and their children.

Kinship Care Team

Supports families with children being cared for by kinship carers.

Practice Teaching

Provides placements to universities for their social work students.

Shine PSP

Supports women who are mothers with children affected by parental drug and alcohol use and who are on remand or serving a sentence and will be returning to their families and communities in North and South Lanarkshire, Fife and Forth Valley and Tayside.

HMP Addiewell Project

Supports men who are fathers with children affected by parental drug and alcohol use and who are serving a sentence and will be returning to their families in North and South Lanarkshire and West Lothian.

Early Intervention Project

Supports families with young children who are affected by parental drug and alcohol use living in Edinburgh, West Lothian and North and South Lanarkshire.

East and Midlothian Family Support

Supports families with children who are affected by parental drug and alcohol use living in East and Midlothian.

Action Lone Parents

This is a service for lone parents living in complex circumstances in North Lanarkshire supporting them to get out and about, being a positive role model for their children, building confidence and self-esteem, and meeting others from the local community.

Children with Learning Disabilities

This fund comprises amounts donated to meet equipment and other needs of families with children who have learning disabilities.

East Lothian Family Support

Supports families in East Lothian and is a partnership between Circle, Children 1st and East Lothian Council to provide intensive support to families with children under 8 who are struggling but had not yet met criteria for statutory interventions.

Early Years Partnership Development

Supports families with young children who are affected by parental drug and alcohol use living in Edinburgh.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2015

14. Restricted funds (Contd.)

West Lothian Family Support

West Lothian Public Social Partnership (PSP) called Supporting Families is a partnership between Circle, Barnardos, Family and Community Development and West Lothian Council to support families with a range of issues who are 'just coping' to minimise the risk of crisis and to reduce the need for statutory intervention.

East Lothian Lloyds TSB

Supports families with children affected by parental drug and alcohol use living in East Lothian.

Development Work

This fund consists of funds received specifically to develop aspects of Circle's management infrastructure such as the upgrading of server and database and renewal of computers and related IT equipment.

15. Unrestricted Funds	Brought Forward	Income	Expenditure	Transfer	Carried Forward
	£	£	£	£	£
General unrestricted funds	404,197	35,232	5,255		434,174
	=====	=====	=====	=====	=====

Unrestricted funds will be used at the direction of the Directors for the general support of all charitable activities.

16. Analysis of net assets between funds	Fixed Assets	Net Current Assets	Total
	£	£	£
Unrestricted funds	-	434,174	434,174
Restricted funds	11,600	420,226	431,826
	-----	-----	-----
	11,600	854,400	866,000
	=====	=====	=====

17. Related party transactions

Ian Barcroft who is a Director of Family Service Unit Scotland is also the Rector of St Mary's Episcopal Church. In his role as Rector, he also supports the work of St Mary's Family Support Project and both organisations have a partnership agreement to deliver services in Hamilton, South Lanarkshire. Barry Rose who is a Chair of the Board of Directors of Family Service Unit Scotland is Chair of the Board of Baillie Gifford Shin Nippon plc, and a Director of Aberdeen Smaller High Income Trust plc. Circle's Board meets in premises owned by or associated with both these companies. No payment is made for use of these premises.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2015

18. Pension scheme

Up until 31st March 2015, Circle participated in The CARE Scheme (the 'Scheme), which is a funded multi-employer defined benefit scheme

The main benefits provided by the Scheme are a pension of one-eightieth of the member's career average revalued earnings for each year (and months proportionately) of pensionable service if contracted-out of the State scheme.

Contributions from 1 April 2012

For members in the one-eightieth structure of the Scheme, employers pay contributions at the rate of 10.6% of earnings and members pay contributions based on an age-related scale (equal to age divided by ten, plus 0.5).

In addition, employers may choose to pay any Future Service Contribution Rate (FSCR) combination that is shared between Members and Employers, as long as the maximum Member contribution rates are [(age / 10) + 0.5]. For reference, the total FSCRs from 1 April 2012 are 15.5%.

Employers that have closed the one-eightieth structure of the Scheme to new entrants are required to pay an additional employer contribution loading of 2.0% to reflect the higher costs of a closed arrangement.

The Trustee commissions an actuarial valuation of the Scheme every three years. The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

A defined contribution (DC) section of the Scheme has been available since 1 April 2011. For members in the DC section of the Scheme, employers pay contributions at the rate of 8.5% of earnings and members pay contributions based on an age-related scale (equal to age divided by ten, minus one).

As at the balance sheet date there were 31 active members of the Scheme employed by Circle. The annual pensionable payroll in respect of these members was £847,736.

Circle ceased to offer membership of the Scheme to its employees on 31st March 2015.

During the accounting period the employer paid contributions at the rate of 10.6% for members in the one-eightieth structure and 8.5% for members in the defined contribution structure.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2013 by a professionally qualified actuary using the 'projected unit' method. The market value of the Scheme's assets at the valuation date was £35.5 million. The valuation revealed a deficit of assets compared to liabilities of £16.4 million, equivalent to a past service funding level of 68.5%.

**FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
KNOWN AS CIRCLE**

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2015

18. Pension scheme (Contd.)

The key financial assumptions underlying the valuation as at 30 September 2013 were as follows:

	Nominal % per annum
Discount rate pre retirement	4.7
Discount rate post retirement	3.7
Price inflation - RPI	3.2
Price inflation CPI	2.5

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a Recovery Plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the actuarial valuation, it was agreed that the shortfall of £16.4 million would be dealt with by the payment of deficit contributions. Circle's share of these deficit contributions is £21,731 per annum, payable from 1st July 2015 in monthly instalments of £1,810.92. These deficit contributions are in addition to the contribution rates set out above.

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Circle has been notified by The Pensions Trust of the estimated employer debt on withdrawal from The CARE Scheme, based on the financial position of the Scheme as at 30 September 2014. At this date the estimated employer debt for Circle was £1,205,000.

During the course of 2014/15 the Directors further considered the pension position and, after taking independent advice, agreed that from 1st April 2015 they would no longer offer the CARE pension scheme. Instead, from 1st April 2015 Circle made arrangements for staff to be enrolled in a defined contribution scheme offered by the Royal London, this scheme is also used for the auto enrolment arrangements which Circle was required to offer from 1st April 2015.