

FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)

KNOWN AS CIRCLE

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

Legal and administrative information

Key Management Personnel

Directors

Nickola Jones, Chair
Jane Scott (resigned 11 September 2023)
Cameron Wyllie (resigned 29 May 2023)
Beata Burkinshaw
Garry Luke, Treasurer
Helen McCann
Louise Dickson
Ashley Goodfellow

Company Secretary

Alex Collop, Interim Chief Executive (appointed 28 February, resigned 1 June 2023)
Kirsten Adamson (appointed 1 June 2023)

Associate Advisors

Ewan Aitken Mary Hepburn
Dona Milne Dave Liddell
Brian Hills Norma Baldwin
Dan Gunn Caroline Lamb

Registered Office and Operating Address

18 West Pilton Park
Edinburgh
EH4 4EJ

Auditors

Whitelaw Wells
Chartered Accountants and Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

Bankers

| | | | |
|----------------------|---------------------------|---------------------------|---------------|
| CAF Bank Ltd | Shawbrook Bank | Equals Money | Virgin Money |
| 25 Kings Hill Avenue | Lutea House | Aldford House | 5th floor |
| Kings Hill | Warley Hill Business Park | Bell Meadow Business Park | 1 Eagle Place |
| West Malling | The Drive | Park Lane | St. James's |
| Kent | Great Warley | Pulford | London |
| ME19 4JQ | Brentwood | Chester | SW1Y 6AF |
| | Essex | CH4 9EP | |
| | CM13 3BE | | |

Solicitors

Lindsays
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

Employment Law Advisors

Navigator
Floor 3
1 – 4 Atholl Crescent
Edinburgh
EH3 8HA

Operating name: Circle

Charity number: SC037181

Company number: SC296943

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Directors submit their report together with the financial statements for the year ended 31 March 2024.

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 affect children and families and through dissemination of the knowledge gained through that study and the experience of service provision.

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 strategic ambitions are:

- to increase the numbers of children and families who benefit from the Circle approach
- to build collaborative approaches and services, creating effective and lasting partnerships with organisations that share our commitment and values in the voluntary and statutory sector
- to promote and develop the value of our whole family approach by influencing the policy environment in Scotland
- to innovate to meet future challenges through developing our own expertise and the knowledge base of the wider social care workforce
- to build our organisational resilience and sustainability to be leaders in supporting families and children

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 preventative family support services that are strengths-based and solution-focussed. Currently we have projects which focus on:

- families with children affected by parental substance use
- families with children affected by parental imprisonment
- families with children at risk of school exclusion
- families with very young children and who need additional support
- pregnancy and postnatal support to mothers and their families affected by substance use
- support to fathers in their role as parents and the wider family
- young people who are using substances and/or affected by parental substance use

The charity's principal areas of activity are described below.

Harbour Project:

- In partnership with CrossReach's Sunflower Garden, we support families with children affected by parental drug and alcohol use.
- The project also provides family inclusive practice and peer support, fathers' support, young people's support and support to birth parents.
- The Sparrow service supports parents who have had children permanently removed from their care.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Haven Project:

- Based in North Edinburgh, the Haven Project provides whole family support, early years support and fathers' support.
- Craigentiny and St. Ninian's primary school-based support, utilising Pupil Equity Funding, directly supports children in the two schools.
- BWell Together is a consortium of agencies in North-West Edinburgh (Stepping Stones North Edinburgh, MYDG, PYCP, Granton Youth and Intercultural Youth Scotland), with Circle as lead partner, and aims to improve the mental health and wellbeing of children and young people in community settings.
- The Mentoring Project, based in North Edinburgh, links 5th and 6th year pupils with primary aged children.

West Lothian Project:

- This project supports families with children in West Lothian who are affected by parental drug and alcohol use. We deliver a Fathers' Support Service as well as a Pregnancy and Post Natal Service within the project.
- We are also partners in the West Lothian Wraparound Service with West Lothian Drug & Alcohol Service and Youth Action Project.

East Lothian Project:

- This project supports families in East Lothian who are affected by parental drug and alcohol use.
- It also supports pregnant women and new mothers in East Lothian affected by substance use, and their families.
- The Children's Resilience Service provides additional wellbeing support for children affected by parental substance use including therapeutic direct work and group work.
- The Family Peer Support Service provides additional support to adults impacted by family and loved one's substance use.
- The Grow Your Own Routes Project offers support to 16- to 26-year-olds, allowing for older siblings to receive more focused support, from families who already have support from the Children Affected by Parental Substance Use Service and the Pregnancy Service, covering a wider age range and need within families.

Anchor Project – name changed January 2024, was formally known as FABI:

- The Addiewell Service supports 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.
- Shine National Women's Mentoring Public Social Partnership (PSP) is a partnership between SACRO (the lead partner), Circle, Venture Trust, Turning Point, Access to Industry, Barnardo's, Apex and The Wise Group.
- The Women's Outreach Team is a partnership between Circle and Recovery Scotland. The service in North and South Lanarkshire is for women, and their children, facing a range of challenges.
- The Caledonian System Project supports families in South Lanarkshire affected by domestic abuse and is a partnership between South Lanarkshire Council, Circle and Women's Aid South Lanarkshire.
- The Family Wellbeing Team offers an intensive wellbeing and therapeutic counselling service for families (North Lanarkshire).
- Our second Addiewell Service supports fathers in custody within HMP Addiewell through intensive whole family support, therapeutic counselling and a children's resilience service addressing the complex health and social needs resulting from substance use, domestic abuse, and poor mental health (North Lanarkshire).
- Our Women's Outreach Service provides a whole family support and therapeutic counselling service for mothers (with children aged 18 and under) and their families affected by domestic abuse, poor mental health, and substance use (Clackmannanshire).
- The Caldervale High School Cluster provides support to children and families with the view of strengthening children's, young people's and families' mental health and wellbeing (North Lanarkshire).

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Anchor Project (cont.):

- The Youth Justice and Rights Service is an intensive early intervention and prevention youth justice and rights service supporting young people and their families. We promote the rights of children and young people as enshrined by the UNCRC. Our whole family, strengths-based approach supports young people who are vulnerable, and who are also at risk of, or experiencing, exclusion from school or have involvement with justice services (North Lanarkshire).

Practice Learning & Development:

Practice Learning & Development offers placements to universities for social work students, who experience a rich mix of learning opportunities. We offered six students placements during this year.

Grant Giving

The charity makes grants to support their charitable objectives. Grants are made to other institutions when the charity is lead partner on a project, usually within a Public Social Partnership.

Achievements and performance from April 2023 to March 2024

We are delighted to share the progress that we have made in the last year despite a sometimes-difficult operating environment.

We continue to work closely with and listen to children, young people and their families to respond to their needs. The ongoing cost of living crisis has impacted our families greatly and we continue to work with families to support them to find solutions and options. We have worked with different trusts and foundations to help deliver financial support to families with minimal delay, usually in the form of fuel, food and activities vouchers.

The pressure on budgets, maintaining funding and finding new sources of funding is relentless. However, we have managed to secure new funding and maintain budgets over the last year, whilst planning for the loss of funding and an extremely competitive environment for reduced funds. Alongside the rest of the Third Sector, we struggle with annual awards rather than multi-year awards. Funding in this way presents difficulties in recruiting and retaining staff and therefore, providing consistent staff teams for families.

We continue to regularly gather feedback from families and professionals. Here are some examples:

“Getting a mum chat and support if and when needed. Belonging to something.”

“Not alone, coming and feel the weight lifted and give some motivation to carry on for the next week. Proud of the mums’ group, respect each other.”

(About being part of the mums’ group)

“Thank u so much (worker) a have not had this kind of support b4 and don’t know if am feeling normal like a mum??”

(parent being supported in Sparrow Service)

“I have found Circle to be a very approachable service. At first, I was scared. Emotionally drained and looking for support and guidance. Circle has really helped us overcome so many problems.”

(parent supported in West Lothian)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance from April 2023 to March 2024 (continued)

"Circle is one of the best organisations I have worked with and they are the most consistent witch helped me massively... it takes me some time to trust people and open up to them and u managed to help me a thought I was past changing but I have done it with ur help so thanks so much."

(single dad of 2 in recovery – East Lothian)

"I would never have known what was normal grief or not, (worker) has been a rock for me in relation to that. The boys have met other children who have experienced loss/trauma which has been beneficial as they see that they are not on their own. The organisation has been a real godsend for our small family, we are forever grateful xxx"

(parent in Anchor Service)

Between April 2023 and March 2024 Circle provided whole family support on an outreach basis to **723** families. Those families consisted of **929** children and young people and **707** parents.

Participation

Children, young people and their families remain at the heart of our work, we meaningfully engage with them throughout all the stages of our work, listening carefully and considering how best to implement any changes suggest where we can. Families are central to everything we do and we value all feedback, good or bad, and use it to continuously shape our services. If we can't do something we take the time to families and staff why this is the case.

Circle have co-produced a Participation Strategy with children and families which is available to read here: <https://circle.scot/families/taking-part/>

Circle, alongside children, young people and their families, have also developed a set of values that are core to the organisation, and that families communicated that they have experienced from Circle staff and services. These are: inclusion, empathy, commitment, empowerment and growth.

Fundraising

The wider funding environment remains extremely challenging. However, although Circle was not successful with some Local Authority funding, they have managed to grow their funding levels from previous years attracting new awards during 2023/24.

We had a gap in the fundraising team for a while and took the opportunity to restructure the posts to two fulltime Fundraising Officers, one focusing on events and one for developing corporate relationships. Both posts were successfully recruited to and started in June 2023.

As we continue to work towards our vision for all children to be safe, happy, healthy and nurtured in a stable family environment which helps them to achieve their potential, we want to extend our sincere thanks to all of our funders who continue to support our work. We also want to thank everyone who took part in fundraising events and rose to the challenge throughout 2023/24 - thank you!

Trustees

Nickola Jones, who served as a Circle trustee, is our current Chair. While Nickola was off during 2023 on maternity leave, Jane Scott, already on the board of trustees stepped into the Chair's role, covering until September 2023 when Jane decided to step down from the board. We would like to thank Jane for her support over the years that she has been on the board and for stepping into the Chair's role.

Cameron Wyllie also stepped down from the board in June 2023. Cameron who had been a Circle trustee for six years also had strong links to Circle's Mentoring Project when Rector at George Heriot's School, and we thank him for his contribution to the organisation over the years.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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 satisfied with the financial performance for the year to 31 March 2024, particularly given the difficult financial context in which we continue to operate.

Investment Policy

The cash reserves of the organisation are held in interest bearing accounts and the directors keep this arrangement under regular review.

Principal Funding Sources

Circle's funding is made up from Local Authority grants, Scottish Government, University payments for student placements and trust and foundations offering one-to-three-year awards.

Finance and fundraising risk management

Circle have procedures, structures and tools in place to closely monitor income and expenditure. These include the following:

- Monthly Budget and Fundraising meeting
- Board Finance and Fundraising Sub-Committee
- Income Risk Register

Current income streams risk assessment

Restricted Income

The majority of Circle's income is restricted and from statutory sources and given to carry out particular projects, or pieces of work, over defined time periods. This includes the Haven Project, West Lothian Project, Harbour Project, East Lothian Project, Shine Project and some smaller discreet pieces of work.

Unrestricted Income

During the course of the year Circle will be in receipt of unrestricted income from different sources including individual trusts, donors and fundraising activities. This unrestricted funding allows us to manage the funding for charitable activities and core costs.

This comes from a range of sources including charitable trusts, individual donors and fundraising events. In 2023/24 this amounted to 7.2% of Circle's total income. This money is normally used for discretionary charitable activities and core cost funding.

Reserves Policy

The Directors' long-term aim is to ensure the charity builds up general funds equivalent to three months' running expenses for the total organisation. At current levels of activity that is equivalent to £595,224. The Directors consider this level of reserves is one which is prudent considering the level and extent of risk associated with funding streams which the charity is required to manage. The total unrestricted reserves, including designated reserves of £713,619 exceeds the target figure by £118,395. A transfer of £370,000 was made from unrestricted reserves to designated funds. The total reserves figure at 31 March 2024 is £1,047,534.

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 past few years.

The Directors consider it essential to maintain a close focus on the impact of continued deficits in the pension fund on the balance sheet and costs of the organisation.

**FAMILY SERVICE UNIT SCOTLAND
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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Unrestricted Income (continued)

Principal risks and uncertainties

The Directors have a risk management strategy in place and the risk assessment process and risk register are 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 have a range of key policies in place which include HR, Health & Safety, Finance and Professional Practice. These are regularly reviewed with our HR & Employment Law advisors and the Board.

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 register is reviewed twice a year by the Directors.

There are a number of major risks faced by the charity in the current uncertain financial climate. The principal risk and uncertainty faced by the charity relates to ongoing funding. The Directors keep the position under constant review; where funding sources look likely to end we take action to mitigate the impact, including making redundancies where required. We are also constantly seeking to investigate new sources of funding.

Other risks that are reviewed by the Directors on a regular basis include:

- Operational risks
- Development and planning risks
- Finance and fundraising risks
- Legal risks

Plans for Future Periods

Circle plan to continue the activities outlined above in the forthcoming year subject to satisfactory funding arrangements. When funding opportunities become available, we will review them in line with our values, set by our children, young people and their families, and against our strategy and vision.

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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Structure, Governance and Management (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 four times per year and is currently meeting on a two-monthly basis. There are two sub-committees, an Audit Group which meets twice a year and a Finance & Fundraising Group which meets quarterly. 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.

Key management personnel and remuneration policy

The Directors consider the Board of Directors, who are also the trustees, and the Chief Executive, comprise the key management personnel of the charity as they are in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Directors give of their time freely and no Director received remuneration in the year.

The remuneration of the Chief Executive is agreed by the Chair of the Board in consultation with Board members and is set after comparison with appropriate benchmarks.

Reference and administrative details

Information about the charity is set out on page 1.

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 (FRS102);
- 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Statement of Directors' Responsibilities (continued)

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.



GARRY LUKE
Treasurer, Board of Directors

27 November 2024

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Family Service Unit Scotland for the year ended 31 March 2024, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' (who are also the directors of the company for company law purposes) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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

We have nothing to report in this regard.

Opinions on matters prescribed by the Companies Act 2006

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

- the information given in the directors' report, prepared for the purposes of company law and included in the report of the trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included with the report of the trustees, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- returns adequate for our audit have not been received from branches not visited by us
- The financial statements are not in agreement with the accounting records; 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report, included within report of the trustees, and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors 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, and for such internal control as the trustees 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.

Auditor's responsibilities for the audit of the financial statements

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

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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

Use of our report

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

Kevin Cattanach

Senior Statutory Auditor



27 November 2024

for and on behalf of Whitelaw Wells, Statutory Auditor

Whitelaw Wells is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

9 Ainslie Place Edinburgh EH3 6AT

FAMILY SERVICE UNIT SCOTLAND

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STATEMENT of FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)

For the year ended 31 March 2024

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Designated Funds | | | | Total 2024 £ | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ |
|------------------------------------|-------|--|-----------------------|------------------|-----------------------------|-----------------|------------------|--------------------|-------------------------|-----------------------|--------------------|
| | | | | Gap Funding £ | One Month Direct Costs £ | Redundancy £ | | | | | |
| Income from: | | | | | | | | | | | |
| Donations | | 172,624 | 0 | 0 | 0 | 0 | 172,624 | 219,706 | 31,109 | 250,815 | |
| Charitable activities | 3 | 0 | 2,384,874 | 0 | 0 | 0 | 2,384,874 | 51,285 | 2,004,109 | 2,055,394 | |
| Investments | | 13,549 | | | | | 13,549 | 5,003 | | 5,003 | |
| — bank interest | | | | | | | | | | | |
| Total income | | 186,173 | 2,384,874 | 0 | 0 | 0 | 2,571,047 | 275,994 | 2,035,218 | 2,311,212 | |
| Expenditure | | | | | | | | | | | |
| Raising funds | 4 | 25,688 | 0 | 0 | 0 | 0 | 25,688 | 18,795 | 0 | 18,795 | |
| Charitable activities | | | | | | | | | | | |
| - costs | 5 | 24,806 | 2,348,761 | 0 | 0 | 0 | 2,373,567 | 7,139 | 1,912,271 | 1,919,410 | |
| - pension scheme adjustment | 19 | (18,359) | | | | | (18,359) | (7,604) | | (7,604) | |
| Total expenditure | | 32,135 | 2,348,761 | 0 | 0 | 0 | 2,380,896 | 18,330 | 1,912,271 | 1,930,601 | |
| Net income/ (expenditure) | | 154,038 | 36,113 | | | | 190,151 | 257,664 | 122,947 | 380,611 | |
| Fund Transfers | 14 | (29,896) (100,000) (200,000) (70,000) | 29,896 | 100,000 | 200,000 | 70,000 | | (75,368) | 75,368 | | |
| Net movement in funds for the year | | (245,858) | 66,010 | 100,000 | 200,000 | 70,000 | 190,151 | 182,296 | 198,315 | 380,611 | |

Reconciliation of

Funds

Fund balances
brought forward as
at 1 April

| | | | | | | | | |
|--------|---------|---------|---|---|---------|---------|--------|---------|
| 14, 15 | 589,477 | 267,905 | 0 | 0 | 857,382 | 407,181 | 69,590 | 476,771 |
|--------|---------|---------|---|---|---------|---------|--------|---------|

Fund balances
carried forward as
at 31 March

| | | | | | | | | | |
|--------|---------|---------|---------|---------|--------|-----------|---------|---------|---------|
| 14, 15 | 343,619 | 333,915 | 100,000 | 200,000 | 70,000 | 1,047,534 | 589,477 | 267,905 | 857,382 |
|--------|---------|---------|---------|---------|--------|-----------|---------|---------|---------|

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

All income and expenditure derives from continuing activities.

The notes on pages 17 to 27 form part of these financial statements.

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


BALANCE SHEET

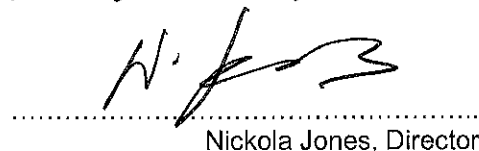
As at 31 March 2024

| | Notes | £ | 2024 £ | £ | 2023 £ |
|--|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 39,622 | | 21,284 |
| Current assets | | | | | |
| Debtors | 11 | 642,327 | | 335,989 | |
| Cash at bank and in hand | | 780,198 | | 771,971 | |
| | | ----- | | ----- | |
| | | 1,422,525 | | 1,107,960 | |
| Liabilities: amounts due within one year | 12 | 361,644 | | 170,285 | |
| | | ----- | | ----- | |
| Net current assets | | | 1,060,881 | | 937,675 |
| | | | ----- | | ----- |
| Total assets less current liabilities | | | 1,100,503 | | 959,059 |
| Liabilities: amounts due after more than one year | 13 | | 52,969 | | 101,677 |
| | | | ----- | | ----- |
| Net assets | | | 1,047,534 | | 857,382 |
| | | | ===== | | ===== |
| Funds | | | | | |
| Gap funding | | | 100,000 | | |
| One month direct cost provision | | | 200,000 | | |
| Redundancy re no grant funding | | | 70,000 | | |
| Unrestricted funds | 15 | | 343,619 | | 589,477 |
| Restricted funds | 14 | | 333,915 | | 267,905 |
| | | | ----- | | ----- |
| | | | 1,047,534 | | 857,382 |
| | | | ===== | | ===== |

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and constitute the annual financial statements required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Directors on 27/11/24, and are signed on their behalf by:


 Garry Luke, Director


 Nickola Jones, Director

Company No. SC296943

The notes on pages 17 to 27 form part of these financial statements.

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

STATEMENT OF CASHFLOWS

For the year ended 31 March 2024

| | Notes | 2024 £ | 2023 £ |
|---|-------|-----------|-----------|
| Cash generated from operating activities | 20 | 27,785 | 209,804 |
| Cash flows from investing activities | | | |
| Bank interest income | | 13,549 | 5,003 |
| Purchase of fixed assets | | (33,107) | (19,524) |
| Cash used in investing activities | | (19,558) | (14,521) |
| Increase in cash and cash equivalents in the year | | 8,227 | 195,283 |
| Cash and cash equivalents at the beginning of the year | | 771,972 | 576,689 |
| Cash and cash equivalents at the end of the year | | 780,199 | 771,972 |

Analysis of cash and cash equivalents

| | | |
|---------------------------------|---------|---------|
| Cash at bank – current accounts | 16,567 | 1,564 |
| Cash at bank – term deposits | 763,632 | 575,125 |
| | 780,199 | 576,689 |

Analysis of Changes in Net Debt

| | 2023 £ | Cash flows £ | 2024 £ |
|---------------------------|-----------|-----------------|-----------|
| Cash and cash equivalents | 771,972 | 8,227 | 780,199 |
| Total net debt | 771,972 | 8,227 | 780,199 |

The notes on pages 17 to 27 form part of these financial statements.

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. Company information

Family Service Unit Scotland is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC296943. The registered office and principal place of business is 18 West Pilton Park, Edinburgh, EH4 4EJ. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102), and the Companies Act 2006.

Family Service Unit Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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 and consider that there are no material uncertainties relating to going concern.

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for carrying amounts of tangible assets.

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.

Donations, legacies and similar income

Donations, legacies and similar income is included in the year in which it is receivable, which is when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably.

Investment income

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

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

2. Accounting policies (continued)

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 probable 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. Within support costs are governance costs, which 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.

Grants payable

Grants payable are payments made to third parties in the furtherance of the *charitable* objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the charity.

Operating leases

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

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%
Network upgrade – 10%

Debtors

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

Cash at bank and in hand

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

Creditors

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

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

2. Accounting policies (continued)

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 19. Normal contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme. In addition, a deficit reduction plan is in place to which monthly contributions are made. The present value of the future cashflows have been recognised as a liability as set out in note 19.

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.

| | Charitable Activities | Donations | Restricted Total 2024 | Restricted Total 2023 |
|---|----------------------------------|------------------|--------------------------------------|--------------------------------------|
| | £ | £ | £ | £ |
| 3. Charitable activities and donations income | | | | |
| Support for families in the early years | 325,993 | - | 325,993 | 323,431 |
| Support for families with children affected by substance use | 1,381,303 | - | 1,381,303 | 1,198,754 |
| Support for families with children affected by parental imprisonment | 527,500 | - | 527,500 | 372,033 |
| Developmental Activities | 150,078 | - | 150,078 | 141,000 |
| | ----- | ----- | ----- | ----- |
| | 2,384,874 | - | 2,384,874 | 2,035,218 |
| | ===== | ===== | ===== | ===== |

| | 2024 | 2023 |
|---------------------------------|-------------|-------------|
| | £ | £ |
| 4. Cost of raising funds | | |
| Other fundraising costs | 25,688 | 18,795 |
| | ===== | ===== |

| | Direct Costs | Support Costs | Total 2024 | Total 2023 |
|---|-------------------------|--------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| 5. Charitable activities | | | | |
| Restricted | | | | |
| Support for families in the early years | 313,875 | 42,020 | 355,895 | 358,724 |
| Support for families with children affected by substance use | 1,204,565 | 150,493 | 1,355,058 | 1,039,654 |
| Support for families with children affected by parental imprisonment | 449,787 | 56,439 | 506,226 | 419,362 |
| Developmental Activities | 117,301 | 14,281 | 131,583 | 94,531 |
| | ----- | ----- | ----- | ----- |
| | 2,085,528 | 263,233 | 2,348,761 | 1,912,271 |
| | ===== | ===== | ===== | ===== |

The following grants were made to organisations in 2024:

| Name | Amount | Purpose |
|-------------|---------------|---|
| | £ | |
| CrossReach | 106,002 | Support for families affected by substance use |

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

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

| 5. Charitable activities (continued) | Pension Deficit Costs | Support Costs | Total 2024 | Total 2023 |
|--|--------------------------------------|--------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Unrestricted | | | | |
| Support for families in the early years | (2,917) | 3,942 | 1,025 | (161) |
| Support for families with children affected by parental substance use | (10,450) | 14,120 | 3,670 | (267) |
| Support for families with children affected by parental imprisonment | (4,013) | 5,423 | 1,410 | (174) |
| Developmental Activities | (979) | 1,321 | 342 | 137 |
| | ----- | ----- | ----- | ----- |
| | (18,359) | 24,806 | 6,447 | (465) |
| | ===== | ===== | ===== | ===== |

Pension deficit costs relate to remeasurement adjustments and the unwinding of the discount on the net present value of agreed payments under the deficit reduction plan.

| 6. Support Costs | Wages and Salaries | Profes- sional Costs | Total 2024 | Total 2023 |
|--|-----------------------------------|-------------------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Restricted | | | | |
| Support for families in the early years | 44,514 | - | 44,514 | 52,518 |
| Support for families with children affected by parental substance use | 159,455 | - | 159,455 | 134,021 |
| Support for families with children affected by parental imprisonment | 61,238 | - | 61,238 | 66,283 |
| Developmental Activities | 14,931 | - | 14,931 | 11,699 |
| | ----- | ----- | ----- | ----- |
| | 280,138 | - | 280,138 | 264,520 |
| | ===== | ===== | ===== | ===== |

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

| 7. Governance costs | 2024 | 2023 |
|---|-------------|-------------|
| | £ | £ |
| Auditor's remuneration - audit services | 7,200 | 6,600 |
| Directors' liability insurance | 727 | 692 |
| | ----- | ----- |
| | 7,927 | 7,292 |
| | ===== | ===== |
| 8. Net income | 2024 | 2023 |
| | £ | £ |
| This is stated after charging: | | |
| Rentals payable in respect of operating leases – land and buildings | 48,928 | 31,286 |
| | ===== | ===== |

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

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

9. Analysis of staff costs and numbers, Director remuneration and expenses, and the cost of key management personnel

| | 2024 | 2023 |
|---|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,559,657 | 1,277,569 |
| Social security costs | 118,305 | 109,486 |
| Pension costs – annual employer contributions and discounting | 123,480 | 96,695 |
| Remeasurement adjustments – defined benefit scheme | (18,359) | (7,604) |
| Redundancy payments | - | 9,095 |
| Staff travel costs and pension advice fees | 44,115 | 29,990 |
| | ----- | ----- |
| | 1,827,198 | 1,515,231 |
| | ===== | ===== |

No individual employees earned £60,000 or more, excluding employer pension contributions, during the year (2023: £Nil). None of the Directors were remunerated for their duties as Directors during the year. No out of pocket expenses were reimbursed during the year in respect of Directors. 2023 - £107.

The key management personnel of the charitable company comprise the Directors and the Chief Executive. The total employee benefits of the key management personnel of the charitable company during the year, including employer's National Insurance contributions, were £65,175 (2023: £61,740).

The average number of employees during the period was 57 (2023: 49):

Chief Executive - 1
 Project Managers - 8
 Family Outreach Workers - 42
 Administration staff – 6

The policy for redundancy follows the statutory redundancy provisions.

| 10. Tangible fixed Assets | Computer & Telephone Equipment |
|----------------------------------|---|
| | £ |
| Cost | |
| At 1 April 2023 | 64,746 |
| Additions | 33,107 |
| Disposals | (3,586) |
| | ----- |
| At 31 March 2024 | 94,267 |
| | ----- |
| Accumulated depreciation | |
| At 1 April 2023 | 43,362 |
| Charge for year | 14,869 |
| Disposals | (3,586) |
| | ----- |
| At 31 March 2024 | 54,645 |
| | ----- |
| Net book value | |
| At 31 March 2024 | 39,622 |
| | ===== |
| At 31 March 2023 | 21,384 |
| | ===== |

FAMILY SERVICE UNIT SCOTLAND
(A Company Limited by Guarantee)
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NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

| 11. Debtors | 2024 | 2023 |
|--------------------|----------------|----------------|
| | £ | £ |
| Other debtors | 629,738 | 316,743 |
| Prepayments | 12,589 | 19,246 |
| | <u>642,327</u> | <u>335,989</u> |
| | ===== | ===== |

The aggregate of financial assets that are measured at amortised cost is £553,227 (2023: £314,431).

| 12. Liabilities: amounts falling due within one year | 2024 | 2023 |
|---|----------------|----------------|
| | £ | £ |
| Trade creditors | 50,836 | 49,918 |
| Other creditors and accruals | 238,627 | 49,140 |
| Other taxes and social security costs | 35,739 | 34,785 |
| Pension costs accrued | - | - |
| Pension deficit reduction plan payments (Note 19) | 36,442 | 36,442 |
| | <u>361,644</u> | <u>170,285</u> |
| | ===== | ===== |

The aggregate of financial liabilities measured at amortised cost is £51,036 (2023: £49,918).

| 13. Liabilities: amounts falling due after more than one year | 2024 | 2023 |
|--|---------------|----------------|
| | £ | £ |
| Pension deficit reduction plan payments (Note 19) | 52,969 | 101,677 |
| | <u>52,969</u> | <u>101,677</u> |
| | ===== | ===== |

FAMILY SERVICE UNIT SCOTLAND
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NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

| 14. Restricted funds - 2024 | Brought Forward | Incoming Resources | Resources Expended | Transfer of funds | Carried Forward |
|------------------------------------|------------------------|---------------------------|---------------------------|--------------------------|------------------------|
| | £ | £ | £ | £ | £ |
| West Lothian | 41,497 | 239,206 | (280,226) | - | 477 |
| Harbour | 51,852 | 703,481 | (646,737) | - | 108,596 |
| Haven | - | 319,093 | (328,204) | 9,111 | - |
| Practice Teaching | - | 6,900 | (27,685) | 20,785 | - |
| Anchor | - | 527,500 | (506,227) | - | 21,273 |
| East Lothian | 90,600 | 438,616 | (428,099) | - | 101,117 |
| Infrastructure | 83,956 | 150,078 | (131,583) | - | 102,451 |
| | 267,905 | 2,384,874 | (2,348,761) | 29,896 | 333,915 |
| | ===== | ===== | ===== | ===== | ===== |
| Restricted funds - 2023 | £ | £ | £ | £ | £ |
| West Lothian | - | 236,537 | (195,041) | - | 41,497 |
| Harbour | 6,784 | 616,399 | (571,330) | - | 51,852 |
| Haven | 7,254 | 308,615 | (336,575) | 20,707 | - |
| Practice Teaching | - | 14,816 | (22,148) | 7,332 | - |
| Anchor | - | 372,033 | (419,362) | 47,329 | - |
| East Lothian | 18,066 | 345,818 | (273,284) | - | 90,600 |
| Infrastructure | 37,486 | 141,000 | (94,531) | - | 83,956 |
| | 69,590 | 2,035,218 | (1,912,271) | 75,368 | 267,905 |
| | ===== | ===== | ===== | ===== | ===== |

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

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

Haven

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

A transfer from unrestricted reserves of £9,111 was made to cover the fund's deficit in 2023/24.

Practice Teaching

Provides placements to universities for their social work students.

A transfer from unrestricted reserves of £20,785 was made to cover the fund's deficit in 2023/24.

FAMILY SERVICE UNIT SCOTLAND
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NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

14. Restricted funds (continued)

Anchor

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.

East Lothian

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

Infrastructure

This fund consists of funds received specifically to develop aspects of Circle's management infrastructure such as development of the client database, ensuring all systems, policies and procedures are continually monitored and updated as necessary, researching and developing practice and increasing participation.

Designated Funds:

One month direct cost provision
Redundancy re no grant funding
Gap funding

| 15. Unrestricted Funds | Brought Forward | Income | Expenditure | Transfer | Carried Forward |
|-------------------------------|------------------------|---------------|--------------------|-----------------|------------------------|
| | £ | £ | £ | £ | £ |
| General unrestricted funds | 589,477 | 186,173 | (32,135) | (399,896) | 343,619 |
| | ===== | ===== | ===== | ===== | ===== |

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

Designated Funds

One month direct cost provision
Redundancy re no grant funding
Gap funding

| 16. Analysis of net assets between funds | Fixed Assets | Net Current Assets | Due after More than One year | 2024 Total |
|---|---------------------|---------------------------|-------------------------------------|-------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | - | 396,588 | (52,969) | 343,619 |
| One month direct cost provision | | 200,000 | | 200,000 |
| Redundancy re no grant funding | | 70,000 | | 70,000 |
| Gap funding | | 100,000 | | 100,000 |
| Restricted funds | 39,622 | 294,293 | - | 333,915 |
| | ----- | ----- | ----- | ----- |
| | 39,622 | 1,060,881 | (52,969) | 1,047,534 |
| | ===== | ===== | ===== | ===== |
| | | Net Current Assets | Due after More than One year | 2023 Total |
| | | £ | £ | £ |
| Unrestricted funds | - | 369,582 | (101,677) | 267,905 |
| Restricted funds | 21,384 | 568,093 | - | 589,477 |
| | ----- | ----- | ----- | ----- |
| | 21,384 | 937,675 | (101,677) | 857,382 |
| | ===== | ===== | ===== | ===== |

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

17. Financial commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2024 | 2023 |
|--|-------------|-------------|
| | £ | £ |
| Within one year - Rental charges for 18 West Pilton Park | 2,231 | 2,085 |
| - Photocopier lease charges | 4,566 | 4,162 |
| Within 1 to 2 years - Photocopier lease charges | 4,566 | 608 |

18. Related party transactions

There were no related party transactions in the current or previous year.

19. Pension scheme

Up until 31 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).

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

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

19. Pension scheme (continued)

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 for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 have 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 2015. At this date the estimated employer debt for Circle was £1,554,000.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme was classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

All employers within the CARE scheme agreed to close the scheme to the build-up of further benefits from 31 March 2016, on the understanding that no withdrawal would be triggered. From this date the scheme continues on a paid-up basis which means that the employers continue to pay the required recovery plan payments to repair the deficit.

A full actuarial valuation for the scheme was carried out at 30 September 2016. This actuarial valuation showed assets of £60.45m, liabilities of £85.30m and a deficit of £24.86m.

A full actuarial valuation for the scheme was again carried out at 30 September 2019. This valuation showed assets of £79m, liabilities of £93.9m and a deficit of £14.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

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

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

19. Pension scheme (continued)

Deficit contributions

From 1 April 2024 to 31 March 2027 a total of £1,672,000 per annum (payable monthly and increasing by 3% each year on 1 April) is payable by the participating employers (Circle's share is £31,366 pa).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

| | 2024 | 2023 |
|----------------------------|-------------|-------------|
| | £ | £ |
| Present value of provision | 89,411 | 138,236 |
| | ===== | ===== |

Reconciliation of opening and closing provisions

| | 2024 | 2023 |
|--|-------------|-------------|
| | £ | £ |
| Provision at start of period | 138,118 | 167,329 |
| Unwinding of discount factor | 6,093 | 3,848 |
| Deficit contribution paid | (36,441) | (25,337) |
| Remeasurements – impact of any change in assumptions and amendments to contribution schedule | (18,359) | (7,604) |
| | ----- | ----- |
| Provision at end of period | 89,411 | 138,236 |
| | ===== | ===== |

Assumptions

| | 2024 | 2023 |
|------------------|-------------|-------------|
| | % pa | % pa |
| Rate of discount | 4.95 | 5.18 |
| | ===== | ===== |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

From 1st April 2015 Circle made arrangements for staff to be enrolled in a defined contribution scheme offered by Royal London, this scheme is also used for the auto enrolment arrangements which Circle were required to offer from 1st April 2015.

20. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2024 | 2023 |
|--|---------------|----------------|
| | £ | £ |
| Net movement in funds | 190,151 | 380,611 |
| Add back depreciation charge | 14,870 | 9,957 |
| Loss on disposal of fixed asset | - | 301 |
| Deduct interest income shown in investing activities | (13,549) | (5,003) |
| Increase/(Decrease) in debtors | (306,338) | (236,444) |
| (Increase)/(Decrease) in creditors | 142,651 | 60,382 |
| | ----- | ----- |
| Net cash used in by operating activities | 27,785 | 209,804 |