



Annual Report and Financial Statements

For the year ended 31 March 2022

**Company number: SC083383 Charity
number: SC003527**

CHILDREN IN SCOTLAND LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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Directors' (Trustees') Report

Children in Scotland Ltd

Our Report for 2021-2022

The directors, who are the trustees of the charity under charity law, are pleased to present their Annual Report and financial statements of the charity for the year ended 31 March 2022.

Our strategic objectives and values

Giving all children in Scotland an equal chance to flourish is at the heart of everything we do.

By bringing together a network of people working with and for children, alongside children and young people themselves, we offer a broad, balanced and independent voice. We create solutions, provide support and develop positive change across all areas affecting children in Scotland.

We do this by listening, gathering evidence, and applying and sharing our learning, while always working to uphold children's rights. Our range of knowledge and expertise means we can provide trusted support on issues as diverse as the people we work with and the varied lives of children and families in Scotland.

2021-2022 is the fifth year of our strategic plan, which seeks to:

- Champion the participation and inclusion of children and young people
- Ensure that support for children, young people and their families is appropriate, available and accessible
- Challenge inequalities
- Lead and develop the children's sector workforce
- Continue as a sustainable organisation.

Our values are at the core of everything we do and the way we do it. During the past year, we refreshed these values to so that they are clearer, stronger, and better reflect how we want to behave as an organisation. They have been shaped by our staff, board, children and young people in our advisory group Changing our World and our members.



Our values

Our values set out Children in Scotland’s beliefs and qualities. They have been shaped by our staff, board, children and young people in our advisory group Changing our World, and our members.

We use them to guide how we work and as a way of keeping us accountable.

Strengthening equality, diversity and inclusion is an overarching commitment that informs all our values.

Brave

We are champions of children’s rights. We take a lead in empowering children and young people and improving lives. We do this with creativity and determination.



Kind

We care about people and the environment, and the impact our work has on both. Empathy and trust are key in our approach and how we connect with others.

Collaborative

We believe in inclusion and we work in partnership. The participation of children, young people and their families, our staff, members, the workforce and our wider network inspires us and is central to achieving our vision.



Open and fair

We are committed to accessibility and honesty. We share our learning, evidence and new ideas. Integrity, balance and respect underpin everything we do.

Achievements and performance

Introduction

Children in Scotland has risen to the continued challenges of COVID-19. By collaborating with members and partners, we have been able to contribute significantly in each of our strategic priority areas. The breadth and depth of work has been impressive, and the report below will show highlights of what has been done and what has been achieved.

To champion the participation and inclusion of children and young people

An important way we work to ensure the inclusion of the voice of children and young people in all that we do, is through our advisory group **Changing our World**. At the start of the year, we successfully completed our biannual recruitment of new members, and the group has been very active since.

They have helped the development of the organisation through their role in the recruitment processes for both the new Chief Executive Officer and the new directors,

as well as through their participation in the new strategic planning process. They also played a role in the refresh of our values. They are an essential voice in the development of our policy positions and have actively contributed to our consultation responses on governmental policy. They are working on their 'hot topics' – climate, education, disability and mental health – and met with the Minister for Children and Young People to share their policy priorities.

Participation and inclusion should happen at all levels, and we remain committed to continuing to recruit younger trustees. As a result of our most recent recruitment drive, we have been able to appoint two younger trustees to our board, Peter Rigg and Rachael Hatfield.

How Changing our World feels about meaningful participation:

- *"Valued, confident, respected, appreciated"*
- *"I felt like I actually matter, and that people care"*
- *"It makes me happy knowing that people are listening to me"*
- *"Young people will feel more confident in their place in society"*
- *"It makes you feel included and listened to"*
- *"Pretty amazing"*
- *"It feels good to be heard."*

We also work with the **Inclusion Ambassadors**, a group of secondary school-aged pupils who have a range of additional support needs and come from a variety of schools and local authority areas. They have had a very active year. As schools returned in mid-August, they published a new resource and pledge pack, designed to help schools better support the inclusion of children and young people with additional support needs. This was followed at the start of September by the publication of their first annual report *Challenging Inequality and Leading Change*.

 A great way of learning more about the Inclusion Ambassadors and their work is through listening to the podcasts that they have recorded. [Click this link](#) to listen to one of them.

Our engagement and collaboration with children and young people happens in many other ways. We've supported and collaborated with 308 children and young people ranging in age from three to 26, across 16 different projects and the Access All Arts Fund. This has involved engagement with 31 out of 32 local authority areas in Scotland.

Through this work children and young people have been supported to share their views and influence national and local policies on a wide range of themes including children's rights and the UNCRC, the arts (Access All Arts, Living Museums, live music and its impact on mental health), supporting children with care experience (Home and Belonging and INTandem) and education and recovery from the pandemic.

Throughout the year we have facilitated opportunities for children and young people to share their views and influence policy. For instance, meeting with government

Education Children and Young People Committee members after the Scottish elections in May 2021; sharing views with the head of the General Teaching Council for Scotland and having them published in Teaching Scotland magazine; meeting with the Cabinet Secretary for Education and Skills and the COVID-19 Recovery Group Committee in July 2021; and presenting to the Scottish Government's UNCRC Strategic Implementation Board in March 2022.

A good example of our work is the **Access all Arts programme** (in collaboration with Creative Scotland), which aimed to support children and young people with an additional support need or disability to get involved in creative activities. The fund was designed and implemented with children and young people and the application process was made as simple and accessible as possible, with people being able to apply online, or by sending in a video or audio file. The fund supported 106 children and young people across 27 local authority areas to get involved in creative activities. More than 80% of the children and young people said that the fund had helped them overcome any barriers to getting involved in creative activities.

The following quotes are reflective of the response to the fund:

"Thank you so much! I am glad that funds like this exist to help people who are starting out and often feel as if the art world is exclusive and not accessible for them. This was a great push in the right direction for the future of accessible arts"

"I never had the money for any activities before, money is tight in my family, and this was the best opportunity ever. I really enjoyed it, I wouldn't have been able to experience it without the funding."



To ensure that support for children, young people and their families is appropriate, available and accessible

Scotland will be a much better place for our children when the fundamental importance of early intervention and prevention is understood and consistently applied in policy making and implementation of services. We work hard in our policy and influencing work to ensure that this is increasingly incorporated into national policies.

We do this in a practical way through the management of our services and funds. These services and funds provide practical support, advice and representation for children, young people, parents and families throughout Scotland.

Enquire is the Scottish advice service for additional support for learning. Over the last financial year, Enquire has responded to 1,755 queries to its helpline (a 28% increase on 2020-2021). Through its website and outreach, it has issued 2,619 guides in additional support for learning to parents and carers. Ninety-eight percent of eighty evaluation respondents rated the service they received as excellent.

A good example of the types of reflections we get from **those who use the service:**

"I really feel like a weight has been lifted. I feel much more informed about how to approach the school and about (my child's) entitlement. I didn't know where to start and someone had recommended Enquire. I am so glad I called."

Resolve is an independent mediation service for parents and carers of children and young people with additional support needs. There is no charge for the service to parents and carers and it can be accessed when there are disagreements about any aspects of a child or young person's education that are not resolved locally. The service dealt with 67 cases across 15 local authorities. It is the largest provider of such mediation in Scotland.

"Your facilitation skills allowed us to express, in a safe and supportive way, the issues that were important for us to try and communicate."

"A professional service with a mediator who put everyone at ease which undoubtedly helped in achieving a successful outcome."

My Rights, My Say was established in 2018 as an independent service supporting children aged 12-15 with additional support needs to have their say in decisions about their education. In the last year, the service has supported 190 referrals across 28 education authorities. As with the previous three years for the service, autism and mental health continue to be the most prevalent additional support need, with 63% of all referrals received for MRMS this year being for autistic young people.

*"... the officer's efforts and professionalism could not be beaten. Her engagement with my child was fantastic and my child felt very comfortable throughout, which is not a common occurrence. I appreciate the work hugely and feel very fortunate to have received such service." **Parent***

*"I felt like I could share any thoughts, feelings and opinions and all of them were taken into account in a way which made me feel like I'd properly been heard and like I truly mattered." **Child***

The Access to Childcare Fund supports childcare solutions that enable more accessible and affordable childcare. In this reporting period, £1,108,231 was awarded to 15 childcare providers to make services more accessible and affordable for low-income families, particularly the six identified priority family groups most at risk from living in poverty as set out in the Scottish Government's Tackling Child Poverty Delivery Plan.

There were challenges to the implementation of the Access to Childcare Fund because of COVID-19 and the associated restrictions. Nevertheless, the settings have proved themselves to be adaptable.

"This project has meant so much to me and my child. I needed additional support and placing her in this care really allowed me to gain more hours of employment which help pay some debts. The new friendships my child has made has really supported her emotionally and I couldn't fault the kindness staff have shown. (We are currently going through a separation, and this has really helped my child have an alternative focus and build positive relationships with other people who are also supporting her)."

"My son is less anxious about having to go into childcare. It's allowed him routine, so it will be easier for him when I find suitable work. This has allowed me to take on further paid self-employment contracts and I do not need to work late into the evenings on a regular basis."

The **Early Learning and Childcare (ELC) Inclusion Fund** provides funding to ELC settings to support children with additional support needs (ASN) in Scotland to access their funded ELC entitlement. In the financial year under review, £307,811 was awarded to 249 settings.

A key part of all this work is to ensure that our learning coming from the delivery of these services is fed into our policy work, as we campaign to ensure that there is a growing emphasis on evidence-informed practices and a strong national focus on investment in person-centred and early intervention and prevention approaches.



To challenge inequalities

Challenging inequalities is a thread that runs through all our work. It is important for us internally as an organisation as well as driving us to push for change in our external work. Our policy work is key, and has had a strong focus on planning, resources and approaches to improving children's lives and reducing inequalities.

An important piece of work this year has been supporting our members and wider third sector to engage with plans for the Whole Family Wellbeing Fund and next iteration of the Children, Young People and Families Early Intervention and Adult Learning and Empowering Communities Fund. We have also continued to influence national policy initiatives such as the Children and Young People Mental Health Joint Delivery Board and development of a Children and Young People outcomes framework.

We played an active role with the End Child Poverty group to encourage doubling of the Scottish Child payment and were pleased with the Scottish Government's announcement that it was bringing forward the increased payment to autumn 2022.

We have delivered a wide range of learning opportunities to the sector to support them in challenging inequalities, covering topics such as autism and girls, supporting young people's mental health during the pandemic, Foetal Alcohol Spectrum Disorder, solution-focused approaches to bereavement, trauma and loss, and vicarious trauma and self-care.

We developed a race equality statement and pledges and embarked on an internal programme of ensuring a robust and organisation-wide approach to race equality by undertaking training with the West of Scotland Regional Equality Council.



To lead and develop the children's sector workforce.

We have a key role to play in supporting our membership. We currently have 450 members, including 250 charities, statutory bodies, and other organisations, 14 local authorities, 131 nurseries, schools and universities and 50 individual professionals.

COVID-19, and the current cost of living crisis, is tending to make both organisations and individuals think carefully about financial commitments, and it is therefore a challenging time for membership organisations. We have invested time and energy into this area of work and are pleased with our current position. However, it is important for us to maintain and where possible grow our membership, and therefore we will continue to work actively to ensure the vibrancy and relevance of our membership work.

One of the ways we support our membership, and the wider sector is through the delivery of high-quality training. The pandemic and associated restrictions meant that we have had to develop and implement new ways of working with the workforce. During the year, all training was delivered online. In total we delivered 90 online learning sessions to more than 2,000 delegates and supported 14 organisations (including local authorities and Creative Scotland) with bespoke training. Evaluation of our learning opportunities is positive, and we are currently working to further develop our training offer, through developing new eLearning modules and a more hybrid approach to learning.

Some **feedback from learners:**

"Thank you so much for providing this wonderful training opportunity. I thoroughly enjoyed the webinar and thought it was really interesting and informative and really made me reflect on my practice and consider different language and strategies that can be used to support the children I work with. Thank you." (**Distressed not difficult: recognise and communicate with traumatised children**)

"Seeing the videos and the work the young people have done is amazing. It's so nice to see genuine participation and staff that are passionate about what they are doing to support this." (**More than my trauma**)

"The training has given me a great deal to think about and incorporate into planning for next academic year, many thanks!" (**Distressed not difficult: recognise and communicate with traumatised children**)

Another important element of supporting the sector workforce is through developing and sharing information and resources through digital and print communications that are accessible and will benefit the needs of the membership and the wider sector working with children and young people.

The most important way of sharing such resources is through our digital platforms. We have seen significant growth across our platforms during the past year. There have been 169,685 page views on the Children in Scotland website, 52,302 page views on the Reach website (which provides advice and support to children and young people about additional support for learning), 27,171 followers on our Twitter account (which is an increase of 5% on the previous year) and 23,978 page views across our digital publications including our *Learning Guides* (published every June and January).

In November 2021 we launched *Insight*, our new membership publication (also available to non-members through subscription), providing a constructive space for inspiration, reflection, dialogue and sharing of knowledge. Produced biannually, it celebrates changemakers across the children's sector, promotes best practice, analyses policy and brings together diverse perspectives on how to improve children and young people's lives. It should be an invaluable tool for the children's sector workforce, supporting critical thinking and continuing professional development.

Some **feedback on Insight:**

"What a cracking job you've done! Brilliant range of topics covered and reporting styles too. Particularly liked the book review and the detailed policy focus on a live bill. Well done on such a fantastic new format." **Gina Wilson, Head of Strategy, Children and Young People's Commissioner Scotland**

"Definitely the kind of magazine you want to sit down with and enjoy over a cuppa!" **Sarah Leary, Communications Manager, Starcatchers**

"I thought it was an excellent production. Right down to the actual feel of the paper copy, it felt high-quality. The organisation of text and images on the page was coherent and, to me at least, accessible. The imagery itself was good, and I liked the partnership with the college students in procuring these. The articles were relevant and well-edited, with a good spread of topics. It's rare that I read such publications cover to cover, but I did with this one. I think the new Insight represents a really good development for Children in Scotland, and I look forward to reading and sharing future editions." **Ben Farrugia, Director, Social Work Scotland**

We occupy a unique position within the children's sector, and we can use that position to influence people and organisations that make important contributions to the lives of children and families in Scotland. Our 'voice' is built up from our members' views, the evidence gathered through our work, the views of children, young people and their families, our partnerships across the whole of the children's sector and our relationships with local and national government.

One of the key mechanisms for gathering views from our membership is through our **Children's Sector Strategic Forum**. This is made up of 30 representatives from our membership. Elections are held every two years for the majority of forum members. In addition, there are some 'standing' positions where representatives are nominated (for example COSLA). The forum helps inform policy positions, stimulates constructive debate, and allows an ongoing infrastructure for direct engagement with key policymakers and shapers, particularly within Scottish Government.

We have also supported the reconstitution of the **Children and Young People's Cross-Party Group** after the 2021 elections and continue to act as joint secretariat with YouthLink Scotland.

Our **Voices forums** are a way of involving a larger number of our membership in policy discussions. Over the year we held four forums on the topics of Preparing for the Programme for Government, a National Care Service for Scotland, a New Data Strategy for Health and Social Care and Child-Friendly Spaces and Communities.

Some **feedback on our Voices forums:**

"It was excellent – very stimulating discussions and well facilitated. Easy to access and participate, thank you." **Parent**

"100% of attendees would recommend a Voices Forum event to a colleague."

The job of influencing is built into our organisational DNA. Our added value is the way in which we are able to bring together a range of voices and evidence and play a constructive role in challenging and reflecting on policy and practice. One concrete area where we use this evidence is through responding to Scottish Government policy consultations. We have responded to 25 of these over the last year.

Our **Manifesto for 2021-2026** continues to be an important resource for us. Written with input from across the membership, Changing our World, our staff team and the board, it outlines 33 calls across 10 themes which we believe, if acted on, would significantly improve the lives of children, young people and families living in Scotland.



To continue as a sustainable organisation

The external context makes this a challenging time to be a charity in Scotland. Despite these challenges we are currently in a relatively positive position. The amount of work required to ensure that we continue to thrive cannot be underestimated.

We are fortunate to have a hugely committed staff team who have adapted well to hybrid ways of working, and who have risen to the ongoing challenges. Their commitment to the charity and focus on working to achieve our priorities and vision has been impressive. We have continued to see innovation and exciting developments across the organisation while staff have worked in flexible and professional ways. The culture of the organisation and the values which sit at its core have been essential to ensuring the strong, mutually supportive team spirit that has allowed us to have such a positive year.

During the pandemic, we gave up our permanent office space as Rosebery House was closing. We made a decision to take on small temporary spaces due to the uncertainty we were living through. The decision as to what will be the new physical 'home' for Children in Scotland will be an important one in the coming year, as will the ongoing development of our hybrid approach to work.



Leadership and Governance

Jackie Brock, our much-respected Chief Executive Officer (CEO), left the organisation on the 30 April 2021 after serving since 2012. Her contribution to the organisation over her time as CEO was substantial, and the board is truly grateful to her for all her work for Children in Scotland. Sally Cavers, Simon Massey and Amy Woodhouse from the Children in Scotland Leadership Team successfully took on the role as joint Interim CEOs from 1 May 2021 to 29 August 2021. The board would like to thank them for their efforts. They would also like to thank Valerie Harty (Head of Finance and Central Services) for the crucial role she has played in ensuring steady and robust financial management of the organisation during a challenging time. Judith Turbyne started as CEO at the very end of August 2021.

During the financial year the Board met five times, with regular meetings being held between the Convener and the CEO to ensure ongoing oversight. This was particularly important at the start of Judith's tenure.

We must acknowledge the voluntary contributions of several board members who left over the year. Their support for the work of Children in Scotland as board members was valuable, constructive and important. Their departures led us to seek new members

to join the board. We advertised for, interviewed, and recruited six new Directors in January 2022 to help diversify the skills and experience of the Board. We had an excellent response to the recruitment campaign and welcomed Meritxell Bulbena Vela, Claire Gillespie, Rachael Hatfield, Jane-Claire Judson, Peter Rigg and Steven Sweeney to their first board meeting in April 2022. Esther Black and Jo Derrick remain as co-Conveners and Maureen McGinn CBE as Convener.

We continue to invest in good governance for the organisation, ensuring that we are reviewing progress against the Scottish Governance Code for the Third Sector. We are in the process of building strong direct communications between the board and Changing our World (our children and young people's advisory group) and are looking at ways that we might support more younger trustees in the future.

 [Click this link](#) to hear more from our younger trustees in the podcast.

Investment policy

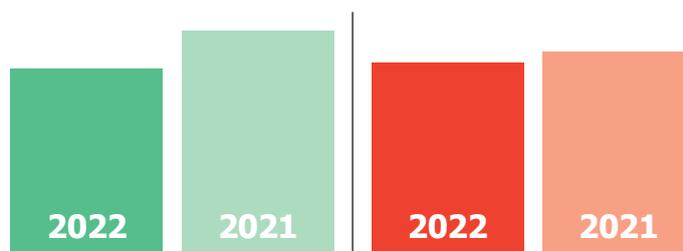
The cash reserves of the organisation are held in interest bearing accounts. The Directors keep this arrangement under regular review and pay particular attention to the requirement to ensure that sufficient liquidity is maintained to enable the organisation to manage its commitments.

Financial review

Financially we worked hard to continue our progress in building a sustainable organisation and were very pleased to once again record a positive net movement in our unrestricted funds.

In this financial year:

Children in Scotland's total incoming resources were **£3,167,677** (2021: £3,802,423)



Total resources expended were **£3,264,834** (2021: £3,458,704)

The primary driver of the decrease in income were decreased levels of funds that we were managing, specifically the Early Learning and Childcare Inclusion Fund. The decrease in resources expended relates to spending restricted funds held. Cost analysis exercises continue to be undertaken and efficiencies are sought out wherever possible. Children in Scotland produced a surplus on unrestricted funds of £207,664 (2021: £55,016). Children in Scotland has budgeted to break even on unrestricted funds in the year to 31 March 2023.

There have been financial consequences due to the impact of the pandemic, for instance the income from events continues to be comparatively low, and we have seen a significant reduction in income generated through sponsorship and advertising. However, a continued upward trajectory in fees and contract income and another surplus on unrestricted funds in the year under review gives us a level of confidence that we have strong foundations on which we can continue to build.

We are investing significant time and thought into our fundraising activity for this year and are currently building a longer-term income generation strategy to underpin the sustainability of the organisation.

Reserves policy

The reserves policy of Children in Scotland is to hold sufficient free reserves to safeguard the organisation against possible reductions in funding and provide it with funds sufficient to meet anticipated liabilities. The Directors have set a target to maintain free reserves equal to at least three months of operating costs. The Board monitors reserve adequacy on a quarterly basis.

Children in Scotland's net unrestricted funds (free reserves) at 31 March 2022 are £325,824. Based on our FY22/23 budget, one month's operating costs for Children in Scotland is £89k, meaning that at 31 March 2022 3.66 months of operating costs were held in reserve by Children in Scotland.

The Directors are satisfied that this level of reserves and our current income pipeline is sufficient to meet operational expenditure and continue to be committed to the target of maintaining free reserves equal to at least three months of operating costs.

The restricted funds balance of the charity has decreased from £408,904 at 31 March 2021 to £239,988 at 31 March 2022. This decrease is as a result of more restricted funds being spent than being received in the year.

Principal risks and uncertainties

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. The board considers the strategic risks at all board meetings. Operational risks are monitored by the Leadership Team, and any significant changes or worrying trends are highlighted to board members.

The principal risks and uncertainties facing the charity, as identified by the Directors, are as follows:

- Financial sustainability (inadequate reserves position, funding falling below sustainable levels, failing to be competitive)
- Changes to the external environment (making it impossible/unrealistic to secure improved outcomes for children)
- Failing to engage properly (which would in turn impact our ability to influence effectively and secure change)
- Failing to develop our partnerships to maximum effect
- Failing to plan/manage projects effectively, efficiently and without sufficient focus on quality
- Inadequate focus on staff development/working environment (leading to high absenteeism/staff turnover).

The measures in place to mitigate the above risks and uncertainties are as follows:

- Detailed annual budgets are prepared and performance is measured against these on a monthly basis by the leadership team and on a quarterly basis by the board. A five-year strategic plan is also in place and performance is measured against this also.
- The external environment is monitored closely. Our policy, projects and participation, and ASL services teams work proactively with external parties to secure improved outcomes for children. We are highlighting the case for change and transformation utilising the positive examples emerging from the pandemic.
- Our engagement mechanisms are regularly reviewed to ensure we are influencing effectively and securing change.
- Strategic relationships are proactively nurtured to ensure maximum effect in pursuit of our vision.
- Project management tools are utilised to ensure quality, effectiveness and efficiency is achieved in all our work.
- A People Strategy is in place including a formal 1 to 1 appraisal process and an annual review system. There is an agreed action plan following the annual staff survey analysis.

The future

The next year will be an important one for Children in Scotland as we seek to keep the organisation strong despite the difficult external context. We will be developing a new strategy plan and an income generation strategy.

It will be important for us to continue to develop sustainable income generation models which take into account our strengths as an organisation. Undoubtedly our four key funding sources will continue to be grants for core funding and projects, provision of information services, membership fees and events income but we will be exploring how to increase funds through other sources.

We will seek to replicate the success we have had over the last year of increasing levels of unrestricted funds, and we will continue to make sure that we understand the real costs of our work, building that into grants, commissioned work and so on.

Ultimately, our success as an organisation needs to be judged by the extent to which our work is having an impact on children and young people across Scotland. Our Manifesto will sit at the core of our work and will help us prioritise our activities, making sure that we are putting most energy and effort where we are likely to have most impact.

As the cost of living continues to rise, we know that those who are already vulnerable will be made more so. It is more important than ever that we maximise the relationships we have with our members and the wider sector, seeking to collaborate wherever we can, and ensuring that our work is lending itself to strengthening the work of the sector overall.

Reference and administrative details

Name of the charity: Children in Scotland Ltd

Scottish Charity Number: SC003527

Company Number: SC083383

Registered Office: Thorn House
5 Rose Street
Edinburgh
EH2 2PR

Directors: Maureen McGinn CBE (Convener)
Esther Black (Vice Convener)
Jo Derrick (Vice Convener)
Rohan Gunatillake
Satwat Rehman
Claire Gillespie (appointed 27 April '22)
Jane-Claire Judson (appointed 27 April '22)
Meritxell Bulbena Vela (appointed 27 April '22)
Peter Rigg (appointed 27 April '22)
Rachael Hatfield (appointed 27 April '22)
Steven Sweeney (appointed 27 April '22)
Liam Slaven (removed 24 September '21)
Morag Barbara Wise (resigned 11 October '21)
Jennie Gollan (resigned 26 October '21)
Benjamin Supple (resigned 25 January '22)
Jane Elizabeth Devine (resigned 25 January '22)
Professor Brigid Daniel (resigned 26 January '22)
Karen Conaghan (resigned 9 June '22)

Secretary: Valerie Harty

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

Bankers: The Royal Bank of Scotland plc
142-144 Princes Street, Edinburgh, EH2 4EQ

Solicitors: Harper Macleod LLP
65 Haymarket Terrace, Edinburgh, EH12 5HD

Statement of directors' responsibilities

The Directors (who are also trustees of Children in Scotland Ltd 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The 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.

This report has been produced in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP) FRS 102, effective January 2015, Charities Accounts (Scotland) Regulations 2006 and in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

By order of the Board

Maureen McGinn

Maureen McGinn CBE, Convener

Date: 29 September 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS AND MEMBERS OF
CHILDREN IN SCOTLAND LTD**



Opinion

We have audited the financial statements of Children in Scotland Limited for the year ended 31 March 2022 which comprise the Statement of Financial Activities, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS AND MEMBERS OF
CHILDREN IN SCOTLAND LTD**



Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS AND MEMBERS OF
CHILDREN IN SCOTLAND LTD**



Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the directors (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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS AND MEMBERS OF
CHILDREN IN SCOTLAND LTD**



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 regulations made under those Acts.

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.

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risk of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charitable company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS AND MEMBERS OF
CHILDREN IN SCOTLAND LTD**



There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Barry Truswell

Barry Truswell CA (Senior Statutory Auditor)
For and on behalf of
Chiene + Tait LLP
Chartered Accountant & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

29 September 2022

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

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	Note	£	£	£	£
Income from					
Donations and legacies		5,276	-	5,276	4,959
Charitable activities	7	443,496	2,718,125	3,161,621	3,786,806
Investments		79	-	79	272
Other		701	-	701	10,386
Total		449,552	2,718,125	3,167,677	3,802,423
Expenditure on					
Charitable activities	9	377,793	2,887,041	3,264,834	3,458,704
Total		377,793	2,887,041	3,264,834	3,458,704
Net income/(expenditure)		71,759	(168,916)	(97,157)	343,719
Transfer between funds		-	-	-	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on pension schemes	18	135,905	-	135,905	(26,015)
Net movement in funds		207,664	(168,916)	38,748	317,704
Reconciliation of funds					
Total funds brought forward		118,160	408,904	527,064	209,360
Total funds carried forward	14	325,824	239,988	565,812	527,064

All incoming resources and resources expended derive from continuing activities.

The notes on pages 25 to 42 form part of these accounts.

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	Total 2022	Total 2021
		£	£
Fixed assets:			
Tangible assets	10	-	3,284
		-	3,284
Current assets:			
Debtors	11	112,099	128,954
Cash at bank and in hand		1,159,460	1,054,633
		1,271,559	1,183,587
Liabilities:			
Creditors: Amounts falling due within one year	12	525,182	245,815
Deferred income	13	82,914	126,875
		608,096	372,690
Net current assets		663,463	810,897
Total assets less current liabilities		663,463	814,181
Pension liabilities: amounts falling due after more than one year	18	97,651	287,117
Net assets		565,812	527,064
The funds of the charity:			
Restricted income funds	14 & 19	239,988	408,904
Unrestricted funds:			
General fund	14	423,475	405,277
Pension fund	14	(97,651)	(287,117)
		565,812	527,064

The accounts were approved by the directors on 29 September 2022

and signed on their behalf by:

Maureen McGinn

Maureen McGinn

Convener

Company Number: SC083383

The notes on pages 25 to 42 form part of these accounts.

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Total 2022 £	Total 2022 £	Total 2021 £	Total 2021 £
Net cash provided by operating activities	<i>see below</i>		104,748		423,156
Cash flows from investing activities					
Interest receivable		79		272	
Net cash provided by investing activities			79		272
Change in cash and cash equivalents in the year			104,827		423,428
Cash and cash equivalents brought forward			1,054,633		631,205
Cash and cash equivalents carried forward			1,159,460		1,054,633

Reconciliation of net expenditure to cash flow from operating activities

	2022 £	2021 £
Surplus/(deficit) for the year	38,748	317,704
Adjustments for:		
Depreciation charge on tangible assets	3,284	9,857
Interest receivable	(79)	(272)
Decrease in debtors	16,855	165,071
Increase in creditors	279,367	24,429
(Increase)/decrease in deferred income	(43,961)	(67,647)
Decrease in amounts falling due after more than one year	(189,466)	(25,986)
Net cash provided by operating activities	104,748	423,156

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

1. Company information

Children in Scotland Ltd is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC083383. The registered office is Rosebery House, 9 Haymarket Terrace, Edinburgh, EH12 5EZ. 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 preparation

The accounts 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 the Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)) and the Companies Act 2016.

Public Benefit

Children in Scotland Ltd meets the definition of a public benefit entity under FRS102.

Preparation of the accounts on a going concern basis

The Board, in preparing these financial statements, is mindful of the current impact of Covid-19 operations. The ongoing process of securing future funding is actively managed ensuring the needs of all stakeholders are taken into account. The Board has assessed the charity's ability to continue as a going concern and have prepared forecasts based on assumptions considered reasonable by the Board of Directors. Based on these projections the Board has a reasonable expectation that the charity has adequate resources for the foreseeable future and thus continues to prepare the accounts on a going concern basis.

Fixed assets

Tangible fixed assets costing more than £3,000 are capitalised and included at cost including any incidental expenses of acquisition.

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

Furniture and office equipment:	over 7 years
Computer equipment:	over 5-7 years

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

2. Accounting policies (continued)

Incoming resources

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year in which they accrue.

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.

Expenditure

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, and payroll costs which support the charitable activities.

Within support costs are governance costs which include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular project are allocated directly, other are apportioned on an appropriate basis i.e. estimated project use.

Value Added Tax ('VAT')

Children in Scotland is registered for VAT. VAT is reclaimed using the partial exemption method and as such expenditure includes irrecoverable VAT.

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

2. Accounting policies (continued)

Pension costs

Children in Scotland employees are entitled to join a defined contribution scheme. The assets of this scheme are held separately from those of Children in Scotland in independently administered funds. The pension charge represents contributions payable by Children in Scotland. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Details of Children in Scotland's membership of The Pension Trust Growth Plan and The Pension Trust Scottish Voluntary Sector Pension Scheme defined benefit schemes are included in notes 17 and 18.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Foreign currencies

Transactions denominated in foreign currencies are translated at the rates of exchange prevailing at the date of each transaction. Assets and liabilities are restated at the rates of exchange ruling at the balance sheet date, with resultant exchange differences included in the Statement of Financial Activities.

Fund accounting

Funds held by the charity are either:

- Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the directors.
- Restricted funds – these are funds which 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.

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.

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

2. Accounting policies (continued)

Creditors

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

Financial instruments

The 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.

3. Taxation status

The company is recognised as a charity for taxation purposes by HMRC.

4. Status of Children in Scotland

Children in Scotland is a company limited by guarantee and has no share capital. In the event of the company being wound up, each director has agreed to contribute an amount not exceeding £1 in Sterling.

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

5. Staff costs and numbers

	2022	2021
	£	£
Wages and salaries	1,181,943	1,152,300
Social security	107,993	99,158
Pension	<u>124,851</u>	<u>127,742</u>
	<u>1,414,787</u>	<u>1,379,200</u>

The average number of employees during the year was 44.10 (2021:43.81).

Directors' remuneration: fee £nil (2021: £nil). No director received reimbursement of travel costs in the year (2021: £nil). The director's liability insurance for the year was £476 (2021: £476).

During the year there were no employee's emoluments which were between £60,000 and £69,999 (2020: nil).

The key management personnel are defined as the Directors, the Chief Executive and the four Heads of Service. See above for details on Director remuneration and reimbursement of expenditure. The remuneration of the Chief Executive and the four Heads of Service, was £278,521 (2021: £286,608) including employer pension contributions of £30,240 (2021: £38,900).

Children in Scotland introduced a salary exchange scheme from 1 May 2019 which is available to all employees.

6. Surplus for the year

This is stated after (crediting)/charging:	2022	2021
	£	£
Bank interest receivable	(79)	(272)
Foreign exchange (gain)/loss	191	1,850
Auditors' remuneration	5,700	5,544
Other operating leases – property rental	22,322	54,132
Depreciation	<u>3,284</u>	<u>9,857</u>

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

7. Incoming resources from charitable activities

	2022	2021
	£	£
Grants (See note 8)	2,436,670	3,087,344
Advertising	9,379	8,180
Fees	350,736	337,491
Membership	91,496	100,649
Events	158,732	143,664
Publications	1,730	241
Sponsorship	-	3,785
Specific projects	105,060	95,230
Other income	<u>7,818</u>	<u>10,222</u>
	<u>3,161,621</u>	<u>3,786,806</u>

8. The organisation's total incoming resources include the grants below:

		2022	2021
		£	£
Scottish Government	Access to Childcare Fund	969,243	950,756
Scottish Government via Corra Foundation	CYPEIF – Children in Scotland	375,000	375,000
Scottish Government	Enquire	350,000	280,000
Scottish Government	Early Learning and Childcare Inclusion Fund	307,811	712,946
Scottish Government	National Third Sector GIRFEC	79,921	80,000
Scottish Government	National Parent Forum of Scotland	66,610	133,220
Scottish Government	Adapt and Thrive Fund	61,053	-
UK Government	Coronavirus Job Retention Scheme	18,194	78,426
Scottish Government via Corra Foundation	CYPEIF – Parenting across Scotland	-	100,000
Big Lottery Fund	Investing in Communities	-	92,117
Scottish Government via Firstport	Third Sector Resilience Fund	-	73,665
Scottish Government	Food, Families, Futures	-	-
Various	Other project work	208,838	211,214
		<u>2,436,670</u>	<u>3,087,344</u>

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

9. Expenditure on Charitable Activities

	Restricted funded project £	Unrestricted funded projects £	2022 Total £	2021 Total £
Salaries	1,219,926	194,861	1,414,787	1,379,202
Fees and payments	78,877	68,590	147,467	239,437
Event expenditure	25	44,689	44,714	54,702
Establishment	51,539	27,452	78,991	134,018
Staff and volunteer expenses	9,119	9,126	18,245	12,477
Printing, design and publications	14,183	2,880	17,063	18,971
Purchase of equipment	17,093	15,388	32,481	77,360
Professional expenses	(636)	10,016	9,380	9,128
Depreciation	0	3,285	3,285	9,855
Advertising and marketing	1,543	(694)	849	855
Finance costs	75	2200	2,275	2,482
Pension finance costs	-	-	-	-
Grant awards	1,495,297	-	1,495,297	1,520,217
	2,887,041	377,793	3,264,834	3,458,704

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

10. Fixed Assets	Computer equipment £	Other £	Total £
<i>Cost</i>			
At 1 April 2021	19,286	65,975	85,261
Additions	-	-	-
Disposals	-	-	-
At 31 March 2022	19,286	65,975	85,261
<i>Depreciation</i>			
At 1 April 2021	18,545	63,432	81,977
Charge in the year	741	2,543	3,284
Disposals	-	-	-
At 31 March 2022	19,286	65,975	85,261
Net book value			
At 31 March 2022	-	-	-
At 31 March 2021	741	2,543	3,284

11. Debtors

	2022 £	2021 £
Grants	54,324	33,898
Other debtors	28,364	80,448
Accrued income	782	2,889
Prepayments	<u>28,629</u>	<u>11,719</u>
	<u>112,099</u>	<u>128,954</u>

12. Creditors

	2022 £	2021 £
Operating creditors	24,934	55,664
Grants payable	413,327	78,313
Other tax and social security	27,211	29,598
Accruals	23,444	42,602
VAT liability	16,654	17,555
Pension liability	13,200	15,958
Provision for doubtful debts	<u>6,412</u>	<u>6,125</u>
	<u>525,182</u>	<u>245,815</u>

CHILDREN IN SCOTLAND LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Deferred income

	2022	2021
	£	£
Memberships in advance	26,610	32,251
Event income in advance	50,854	89,499
Specific Project income in advance	<u>5,450</u>	<u>5,125</u>
	<u>82,914</u>	<u>126,875</u>

14. Reserves

	Restricted Funds	Unrestricted General Fund	Unrestricted Pension Fund	Total
	£	£	£	£
At 1 April 2021	408,904	405,277	(287,117)	527,064
Surplus for year	(168,916)	18,198	189,466	38,748
At 31 March 2022	<u>239,988</u>	<u>423,475</u>	<u>(97,651)</u>	<u>565,812</u>

15. Operating leases and financial commitments

Lease rental payments charged to the statement of financial activities in the year totalled £22,322 (2021: £54,132). At 31 March 2022 the company had total future minimum commitments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Leases expiring:		
Between one and five years	1,464	18,044
After five years	<u>-</u>	<u>-</u>
	<u>1,464</u>	<u>18,044</u>

16. Governance costs

	2022	2021
	£	£
Audit fee	<u>5,700</u>	<u>5,544</u>
	<u>5,700</u>	<u>5,544</u>

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

17. Pension schemes

Children in Scotland participates in four pension schemes, each of which is explained below.

The total contributions paid into each scheme in the year and the outstanding liabilities at the balance sheet date, are summarised as follows:

Scheme	Contributions £	Outstanding £
Aegon Scheme	135,634	11,825
The Pensions Trust Scottish Voluntary Sector Pension Scheme ('SVSPS')	40,062	-
The Pensions Trust Growth Scheme	16,458	1,375
Scottish Widows Scheme	752	-
Total	192,906	13,200

17.1 Current pension schemes

CiS operates a defined contribution scheme, opened on 1 October 2013 to meet the requirements of auto-enrolment. This scheme is available to all eligible staff and is provided by Aegon. From 1 April 2022 the defined contribution scheme offered to all eligible staff is operated by Aviva. Staff who transferred to Children in Scotland under TUPE regulations in April 2016 also participate in a defined contribution pension scheme which is provided by Scottish Widows. The staff transferred to Children in Scotland who participate in the scheme provided by Scottish Widows were transferred to another employer on 31 March 2021.

17.2 Closed schemes

CiS are members of two defined benefit schemes which are closed to new members:

- a) The Pensions Trust Scottish Voluntary Sector Pension Scheme ('SVSPS'), which has been closed to future accrual; and
- b) The Pensions Trust Growth Plan ('GP'), which has a mix of defined benefit and defined contribution funds. The defined benefit funds have been closed to future accrual and our participation in the defined contribution fund is limited to one active member, as required for administrative purposes, but is closed to new members.

CHILDREN IN SCOTLAND LTD
(A company limited by guarantee)

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

17.2 Closed schemes (continued)

Both the SVSPS and GP are multi-employer schemes, where the fund assets are co-mingled for investment purposes and benefits are paid from total scheme assets. Following a change in legislation in September 2005, there are potential debts on Children in Scotland that could be levied by the Trustees of the pension schemes and in relation to the additional voluntary contributions of the scheme invested through the Growth Plan and the Scottish Voluntary Sector Pension Scheme. These debts are due in the event of the employer ceasing to participate in the Schemes or the Schemes winding up. The directors have been informed by The Pensions Trust of the estimated employer debt on withdrawal from the Plans based on the financial positions of the Plans as at 30 September 2017. As of this date the estimated debt relating to the Scottish Voluntary Sector Pension Scheme was £1,508,984 (estimated employer debt at 30 September 2016: £2,411,922) and the debt relating to the Growth Plan was £236,952 (estimated employer debt at 30 September 2016: £261,487).

Children in Scotland have paid £40,062 into the Scottish Voluntary Sector Pension Scheme and £16,458 into the Growth Plan for the year ended 31 March 2022. The Pension Trust have advised that the amounts payable in the year ending 31 March 2023 will be £30,795 into the Scottish Voluntary Sector Pension Scheme and £11,165 into the Growth Plan.

The directors do not intend to withdraw from either scheme.

Following the introduction of FRS 102 SORP, there is a requirement to disclose the Net Present Value of agreed deficit contributions and full details are included in Note 18.

18. Pension liabilities

	2022	2021
	£000s	£000s
Reconciliation of opening and closing provisions:		
Provision at beginning of the year	287	313
Unwinding of the discount factor (interest expense)	2	7
Deficit contribution paid	(49)	(47)
Remeasurements - impact of any change in assumptions	(2)	14
Remeasurements - amendments to the contributions schedule	(140)	-
	-----	-----
Provision at end of the year	98	287
Income and expenditure impact:		
Interest expense	2	7
Remeasurements - impact of any change in assumptions	(2)	14
Remeasurements - amendments to the contributions schedule	(140)	-
	-----	-----
Costs recognised in income and expenditure account	(140)	21

CHILDREN IN SCOTLAND LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Pension liabilities (continued)

GP scheme

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to	£3,321,000 per annum
31 January 2025:	(payable monthly)

SVPS scheme

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to	£1,507,960 per annum
31 May 2024:	(payable monthly and increasing by 3% each on 1st April)

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 29 February 2028.

Where the schemes are in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation (as above). 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.

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

19. Note of analysis of movements on restricted reserves

	At 01/04/21 £	Income £	Expenditure £	At 31/03/22 £
CYPEIF - Children in Scotland	-	375,000	375,000	-
Enquire	(25)	350,989	350,382	582
National Parent Forum of Scotland	29,098	66,610	67,437	28,271
Enquire - Children's Service	190	38,500	38,690	-
Early Learning & Childcare Inclusion Fund	22,669	307,811	318,889	11,591
Access to Childcare Fund	133,959	969,243	1,108,230	(5,028)
Children's Engagement Service	15,849	66,161	67,045	14,965
Supporting the Third Sector	11,815	79,921	78,674	13,062
Supporting positive communications	16,084	-	14,839	1,245
Inclusion Ambassadors	8,808	30,000	26,838	11,970
Health Inequalities - Wellcome Trust	7,273	(4,853)	2,420	-
Home & Belonging - Life Changes Trust	9,569	37,032	21,296	25,305
Museums and YP working in partnership - HLF	13,795	16,840	30,635	-
Parenting across Scotland	(5,391)	5,391	-	-
Coronavirus Job Retention Scheme	-	18,194	18,194	-
Third Sector Resilience Fund	55,354	-	55,354	-
ELC Inclusion Fund - administration	24,189	72,500	65,602	31,087
Access to Childcare Fund – administration	26,422	86,390	88,812	24,000
Museums and YP working in partnership – Hollywood Trust	2,400	-	2,400	-
Diversity in Teaching	5,177	2,269	5,476	1,970
Education Recovery Youth Panel	3,529	-	3,529	-
Nurturing Talent Fund: New Routes	28,143	45,000	73,143	-
Museums and YP working in partnership	-	7,471	7,471	-
Emerging Minds Special Interest Group	-	1,500	1,500	-
Participation through the Pandemic (The National Lottery CF)	-	39,888	21,195	18,693
ISMD 2022	-	7,000	7,000	-
Covid Recovery (SG)	-	7,275	7,275	-
Music Workshops - Directed at Mental Health	-	2,000	2,000	-
Living Museum Perth (Forteviot Charitable Trust)	-	2,400	2,400	-
FLAMINGO Study (University of Stirling)	-	1,500	461	1,039
Adapt and Thrive	-	61,053	20,263	40,790
SCADR	-	8,600	4,541	4,059
Access All Arts Yr2 (Creative Scotland)	-	10,625	50	10,575
Digital Boost	-	5,817	-	5,817
	408,904	2,718,127	2,887,043	239,988

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19. Note of analysis of movements on restricted reserves (continued)

CYPEIF - Children in Scotland - Corra Foundation	Infrastructure funding awarded from the Children, Young People & Families Early Intervention Fund and Adult Learning & Empowering Communities Fund.
Enquire	Helpline service provided on behalf of Scottish Government to support parents, practitioners, children, young people and their families in understanding and working through the Additional Support for Learning Act.
National Parent Forum of Scotland	The National Parent Forum of Scotland was set up to give Parent Councils, and parents, an opportunity to discuss and raise educational issues of mutual interest, or concerns, at a national level.
Enquire - Children's Service	Grant funding to raise awareness of the Children's service and to ensure that children aged 12-15 are provided with suitable advice and information and referred to other services as appropriate to secure their use of their own rights.
Early Learning & Childcare Inclusion Fund	Grant funding awarded via Scottish Government's Early Learning & Childcare Inclusion Fund.
Access to Childcare Fund	Grant funding awarded via Scottish Government's Access to Childcare Fund.
Children's Engagement Service	Funding to provide a demand led service for the engagement with children to seek their views on educational aspects.
Supporting the Third Sector	Grant funding awarded to support the Supporting the Third Sector project work.
Supporting positive communications	Funding to develop online resources on communication with families.
Inclusion Ambassadors	Funding to support the Inclusion Ambassadors Network who are encouraged to speak freely and openly, sharing their experiences of being a pupil with additional support needs in Scotland, including what works and what would make things better.
Health Inequalities - Wellcome Trust	Funding to carry out a participative research project with children and young people aged 10-18 living in areas of high deprivation in Glasgow and Dundee.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Note of analysis of movements on restricted reserves (continued)

Home & Belonging - Life Changes Trust	Funding to work with care experienced young people aged 16-26 to design and deliver an overarching evaluation of all twelve projects of the 'Home and Belonging' initiative.
Museums and YP working in partnership	Funding to engage with young people to explore their ideas around heritage and museums, what topics and issues are important to them and what they would like to see reflected within museums.
Parenting across Scotland	This restricted fund is administered by Children in Scotland on behalf of Parenting across Scotland.
Coronavirus Job Retention Scheme	Grant funding to cover a portion of monthly wage costs for parts of the organisation whose operations have been affected by coronavirus (COVID-19).
Third Sector Resilience Fund	Grant funding to stabilise and manage cash flows during the coronavirus (COVID-19) pandemic.
ELC Inclusion Fund - administration	Funding awarded to administer the Scottish Government's Early Learning & Childcare Inclusion Fund.
Access to Childcare Fund – administration	Funding awarded to administer the Scottish Government's Access to Childcare Fund.
Museums and YP working in partnership – Hollywood Trust	Grant towards the 'Living Museums' project.
Diversity in Teaching	Funding to gather and report on children and young people's views on diversity in education in Scotland.
Education Recovery Youth Panel	Funding to facilitate children and young people's participation in the Education Recovery Youth Panel.
Nurturing Talent Fund: New Routes	Funding from Creative Scotland to deliver a new arts fund that will support disabled children and young people, and young people with additional support needs to access creative opportunities.
Museums and YP working in partnership	Funding to engage with young people to explore their ideas around heritage and museums, what topics and issues are important to them and what they would like to see reflected within museums.
Emerging Minds Special Interest Group	Funding to coordinate a special interest research group sharing existing research and practice in music and mental health; looking at structures and settings where mental health is addressed with young people; and generating ideas for live music intervention projects.

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19. Note of analysis of movements on restricted reserves (continued)

Participation through the Pandemic (The National Lottery CF)	Funding to deliver a co-designed research project with a group of six peer researches (aged 14-18) to gather the views and experiences of children and young people aged 8-24 to explore participation through the pandemic.
ISMD 2022	Funding towards the update and maintenance of the ISMD website, and promotion of ISMD through social media, ahead of Scotland's participation in ISMD (International School Meals Day) on 10 March 2022.
Covid Recovery (SG)	Funding provided to support the Scottish Government to engage with children and young people around the 'Framework for supporting people through Recovery and Rehabilitation during and after the COVID-19 Pandemic' Partnership work with Scottish Ensemble to lead a new research group for 2021, looking at the impact of live music experiences on the mental health and wellbeing of children and young people.
Music Workshops - Directed at Mental Health	Funding to engage with young people to explore their ideas around heritage and museums, what topics and issues are important to them and what they would like to see reflected within museums.
Living Museum Perth (Forteviot Charitable Trust)	Funding for an advisory role for the FLAMINGO study which is aiming to understand why children are admitted to hospital for stays of less than 24 hrs.
FLAMINGO Study (University of Stirling)	Funding for a post covid recovery plan covering a) adapting and extending our services, b) Identifying new ways of working and c) re-building unrestricted sources of income.
Adapt and Thrive	Funding to work with SCADR to embed the principles of the UNCRC in their work and have a children's rights approach to their daily practice.
SCADR	Funding towards the cost of Access All Arts, which supports more children and young people with additional support needs or a disability to apply for arts-related funding to explore their creative passions.
Access All Arts Yr2 (Creative Scotland)	A development grant to part fund digital aspects of our operations.
Digital Boost	

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20. Analysis of changes in net debt

	At start of year £	Cash- flows £	Other non-cash changes £	At end of year £
Cash and cash equivalents	1,054,633	104,827	-	1,159,460
	1,054,633	104,827	-	1,159,460
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	-	-	-	-
Total	1,054,633	104,827	-	1,159,460

21. Analysis of net assets (between restricted and unrestricted funds)

	Tangible fixed assets £	Current assets/ (liabilities) £	Long term liabilities £	Total 2022 £
Restricted funds	-	239,988	-	239,988
Unrestricted funds	-	423,475	(97,651)	325,824
Total	-	663,463	(97,651)	565,812

	Tangible fixed assets £	Current assets/ (liabilities) £	Long term liabilities £	Total 2021 £
Restricted funds	-	408,904	-	408,904
Unrestricted funds	3,284	401,993	(287,117)	118,160
Total	3,284	810,897	(287,117)	527,064

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Prior year Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
Note	£	£	£	£
Income from				
Donations and legacies	4,951	8	4,959	16,962
Charitable activities	473,278	3,313,528	3,786,806	2,973,034
Investments	272	-	272	1,058
Other	10,386	-	10,386	23,131
Total	488,887	3,313,536	3,802,423	3,014,185
Expenditure on				
Charitable activities	407,856	3,050,848	3,458,704	3,259,908
Total	407,856	3,050,848	3,458,704	3,259,908
Net income/(expenditure)	81,031	262,688	343,719	(245,723)
Transfer between funds	-	-	-	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on pension schemes	(26,015)	-	(26,015)	6,599
Net movement in funds	55,016	262,688	317,704	(239,124)
Reconciliation of funds				
Total funds brought forward	63,144	146,216	209,360	448,484
Total funds carried forward	118,160	408,904	527,064	209,360

