



# Children 1st Annual Report and Financial Statements

Year Ended 31<sup>st</sup> March 2024

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## Reference and Administrative Details

Children 1st is the working name of the Royal Scottish Society for Prevention of Cruelty to Children (RSSPCC)

<b>Registered Scottish Charity No</b>	SC016092
<b>Registered Office</b>	83 Whitehouse Loan, Edinburgh, EH9 1AT
<b>Patron and President</b>	Vacant
<b>Vice Presidents</b>	The Rt. Hon. The Lord Provost of Edinburgh The Rt. Hon. The Lord Provost of Glasgow The Lord Provost of Aberdeen The Lord Provost of Dundee

### Leadership

Board members who held office during the year and up to the date of signing of the financial statements:

Chair	Maggie Craig MA
Vice Chair	Stella Everingham
Hon. Treasurer	Brian Davidson MA, CA
Hon. Law Agent	Melissa Rutherford LLB (Hons)
Board Members	Joy Barlow MBE Paul Embleton Courtney Fraser (until September 2023) Anne Hughes BA Hons Rosemary McGinness Farah Mohammed

Executive management is delegated to the chief executive and four directors

Chief Executive	Mary Glasgow
Director of Children and Family Services	Linda Jardine
Director of Finance and Corporate Services	Lesley-Anne Junner (until January 2024) Mairi McReynolds (from February 2024)
Director of Fundraising, Marketing & Communications	Michelle Supple (from October 2023)
Director of People and Culture	Jennifer Allan (from November 2023)

## Professional Advisors

Auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Banker	Bank of Scotland 426 Morningside Road Edinburgh, EH10 5QF
Insurance Broker	Marsh Commercial Chartered Insurance Brokers G1 Building 5 George Square Glasgow G2 1AR
Pension Advisor	Argyle Consulting Limited 10 Charlotte Square Edinburgh EH2 4DR
Solicitor	Shoosmiths LLP 9 Haymarket Square Edinburgh EH3 8RY
Solicitor	Blackadders LLP 53 Bothwell Street Glasgow G2 6TS
Solicitor	Morton Fraser 2 Lister Square Quartermile Two, Simpson Loan Edinburgh EH3 9GL
Investment Advisor and Manager	Brewin Dolphin Atria One 144 Morrison Street Edinburgh, EH3 8BR

## Trustees' Report

### Foreword from the chair

"If not us then, who?"

It's a crucial question, first asked by our founder James Grahame, 140 years ago. Shocked by the suffering of children experiencing poverty, neglect and abuse in Scotland's largest and wealthiest city, James Grahame inspired a group of like-minded people to come together and take action to form the Glasgow Society for Prevention of Cruelty to Children, which in time merged with other societies and became Children 1st. Since then, thousands of supporters, partners, volunteers, colleagues, children and families have responded to our founder's call and together we have achieved amazing things together to protect hundreds of thousands of children from harm over almost five generations.

Our founders set up Children 1st with the twin aims of offering immediate support to keep children safe and bringing about legislative change to protect children. If they could see Children 1st's achievements over the last 140 years, I believe they would be as proud as we are to be part of such incredible change for children. In the last year alone, we have supported over 18,000 individual children and adults to keep children and young people safe. We have secured changes in legislation which will make a difference to all children in Scotland, including the incorporation of the United Nations Convention on Children's Rights into Scottish law. We have led transformative systems change by opening Scotland's first Bairns Hoose to offer children and young people who experience abuse and violence all the protection, care, justice and recovery support they need under one roof. And, we have responded to the most urgent needs of children and families, expanding our financial wellbeing service to offer money advice to support families to claim over £1.9 million due to them to prevent children experiencing the worst impacts of poverty.

As proud as our founders would be of what Children 1st has achieved for children, they would be shocked by the extent of the crisis facing children in Scotland today. While systems around children and families struggle to protect them from poverty, fear and harm, the world in which young people live is changing and presenting ever increasing risks to what is becoming their rapidly diminishing childhood. Left unchecked, child poverty, online harm and the mental health crisis will have a devastating impact on today's children and young people and the lives of Scotland's future generations.

Today more than ever, the question, "if not us, then who?" is the driving force behind our work to prevent and protect every child from harm and to make sure all children get the support they need to recover from abuse. But just as in 1884 we cannot achieve this alone. We are so grateful for all your donations, campaigning, volunteering, fundraising and partnerships, which have brought about the significant and positive changes for children set out in this report. Together, we can take the urgent action needed to tackle the risks to today's children and help every child in Scotland to stay safe, loved and well throughout their childhood.

Thank you for your ongoing support.



Maggie Craig  
Chair, Children 1st

## Summary of our impact in 2023/2024

Children 1st supported over 9,343 children and 9,274 adults in over 4,758 families in 2023/2024.

We support family members of all ages to fulfil our charitable purpose to prevent and protect children from harm and to help them to recover from abuse. We work with family members individually and together to build strong, safe relationships because this is what keeps children safe and supports them to recover and thrive.

This is reflected in the range of people we supported during the financial year. Fifty-six percent of all those we supported were children aged 18 or under, and the rest were adult family members.

In total, we supported 18,617 people from Shetland to the Scottish Borders in 2023/2024.

## Delivering our strategic priorities

Our strategic priorities to 2025 focus on three core areas of work: prevention, protection and recovery.

### Preventing harm

#### Campaigning

Children 1st's ambition is for every child in Scotland to grow up feeling safe, loved and well. So, in addition to supporting children and their families through our 18 local services and five national services, we campaign to protect and fulfil all children's rights in legislation, policy and practice.

In 2023/2024 we developed and participated in campaigns to bring about crucial legislative and policy changes that will positively change all children's lives.

With our partners in the End Child Poverty Coalition, we campaigned to ensure tackling child poverty was high on the political and public agenda. In the spring of 2023 incoming First Minister Humza Yousaf made eradicating child poverty his top priority. In March 2024 we launched a public crisis appeal which shone a spotlight on the impact of child poverty and encouraged the public to donate to help expand our financial wellbeing support team.

Children 1st supported partners, including Together Scotland and the Children and Young People's Commissioner, to secure unanimous support from the Scottish Parliament for the United Nations Convention on the Rights of the Child (UNCRC) (Incorporation) (Scotland) Act. The Act requires public authorities and decision makers in Scotland to design policies, budgets and services that fulfil the obligations of the UNCRC. We also worked with children and young people supported by our services to develop resources to help children and their families understand and stand up for children's human rights.

## Improving our reach

In 2023/2024, 57% of the children and family members Children 1st supported identified as being White and the ethnicity information for 39% of children and family members we supported was unknown. Two percent of the children and families we supported were Asian, Scottish Asian or British Asian. Less than one percent of the children and families we supported were African, Scottish African or British African, Caribbean or Black, or from mixed or multiple ethnic groups or, from other ethnic groups.

With poverty underscoring many of the challenges facing children and families we support and children from Asian, African and Black families disproportionately living in poverty, Children 1st continued to develop services to improve our reach, support and impact with and alongside ethnically diverse communities in 2023/2024.

Money worries and housing were the top two challenges faced by the children and families we support through the Whole Family Equality Project in Edinburgh, with partners CHAI, LinkNet, Passion 4Fusion and Volunteering Matters. The project supports children and families from ethnically diverse families to overcome barriers to education and employability, maximise their income and to support them to keep their children safe from harm. Through this work we have identified and worked with partners to address barriers to support including communication, understanding of cultural needs and social isolation.

## Helping families across Scotland

Children 1st Parentline supported 4,736 people in 1,796 families in 2023/2024 by phone call, online chat and email.

Many people who spoke to Children 1st Parentline for support, did so through an incoming call (51% of total callers). Twenty-two percent of total callers contacted us via online chat. The top five challenges families contacted Children 1st Parentline about were: their child's emotional wellbeing (60%), family relationships (46%), parents' mental health (32%), family separation (27%) and general parenting issues (26%).

## Developing family support services in local communities

Children 1st offered community-based support to children and their families in 18 local authorities in Scotland in 2023/2024, as well as to all children in Scotland through our five national services.

In Inverclyde we developed a new service to address the impact of child poverty and break cycles of intergenerational trauma by offering early, trauma-informed support to prevent escalation of need and help keep the Promise that all families get the support they need to keep their children safe. The service also offers family group decision-making support to ensure that families are included in the decision-making and planning process for their children. In East Ayrshire and Moray, we developed our existing support services to offer restorative whole family support services in line with the Promise.

## Bide Oot

Through Bide Oot, Children 1st offer children and families, who we are already working with, the opportunity to try new skills, sports and activities together in the outdoors. This includes taking part in a residential weekend at an outdoor education centre in a remote area of Scotland, as well as taking part in similar activities closer to families' homes. Families tell us that taking part in Bide Oot activities helps

them strengthen relationships, build their confidence and has a long-term positive impact on their mental health, relationships, and emotional wellbeing. In 2023/2024 the Children 1st Bide Oot team directly supported 186 children and 193 adults through 72 different Bide Oot sessions.

### Reducing the impact of poverty

We supported families by offering money advice, preventing children from experiencing the worst impact of poverty and claim over £1.9 million due to them in 2023/2024. Our financial wellbeing service worked with families in their own homes and communities, as well as alongside Children 1st Parentline to offer emotional support with the impact of money worries on families' mental health as well as the practical aspects of applying for entitlements, managing debt and building financial resilience. Collectively the team achieved an 107% increase in financial gain for families compared to the previous year.

## Protection

### Working with communities and partners to protect children

Parents whose children are taken into care are rarely heard in policy development. To encourage systems to better respond to the needs of care experienced children and families, we supported parents in Moray whose children are care-experienced to co-design, carry out and raise awareness of research to understand what might have made a difference during child protection processes and when children are in care. The research *Oor Lives, Oor Ane* shines a light on their experiences and is helping to inform change to systems and practice to keep the Promise that all of Scotland's children and young people will grow up loved, safe and respected.

For World Children's Day in November, we worked with children, young people and families to develop and promote resources to support children and families to understand and uphold their human rights. These have been extremely well-received, and we are now working with a local primary school in the Scottish Borders to turn the resources into a display for their playground.

Two of our five national services, Child Wellbeing and Protection in Sport (CWPS) and the Safeguarders Panel Team, work with specific partners and communities to protect children from harm. Child Wellbeing and Protection in Sport worked on 287 enquiries relating to keeping children safe in sport in 2023-2024. The majority of partners they worked with were from sports governing bodies (66%). Other partners Child Wellbeing and Protection in Sport worked with were sports clubs (10%) and parents and carers (5%).

During the year, we received funding from our partners **sport**Scotland to set up a new service to support sports governing bodies to manage wellbeing and protection concerns about children and adults in sport. We began work to establish the Case Management Support Service, which officially launched in May 2024.

Safeguarders are appointed by a children's hearing or sheriff to provide an independent consideration of assessments and plans for children in the hearings system and to make their own recommendations about what they think is needed to achieve the best interests of children. Children 1st Safeguarders Panel Team is contracted by the Scottish Government to recruit, train and manage the appointments and performance of safeguarders across Scotland. In 2023/2024 Children 1st allocated 884 safeguarders to 1,285 children. All of these allocations were made within two working days.



To support everyone at Children 1st, whatever their role, to protect children and promote their wellbeing we reviewed our child protection policies and introduced a new child protection and wellbeing framework including a policy statement, quality standard and procedure.

### **Developing engagement and participation**

As well as ensuring that children and families' voices inform the development of topical issues and policies, we also focused on improving the quality of our engagement and participation work during the year. We developed a Participation Quality Standard and Children and Young People and Families Reward and Recognition Guidance. We also began work to establish local and national advisory groups for children and families to support the development of our services, including Bairns Hoose.

### **Establishing Scotland's first Bairns Hoose**

In August 2023, Children 1st offered children and young people who experience abuse and violence all the protection, care, justice and recovery support they need under one roof as we opened the Children 1st North Strathclyde Bairns Hoose. The Bairns Hoose was developed in partnership with Victim Support Scotland, the University of Edinburgh, Children England, and local partners from statutory agencies in North Strathclyde. The development of the first Bairns Hoose was made possible thanks to £1.5 million from the Postcode Dream Fund, which was raised entirely by players of People's Postcode Lottery. In 2023/2024 the Children 1st team in North Strathclyde supported 182 children through the Bairns Hoose.

The opening of the Bairns Hoose represented a key milestone in achieving our ambition that no child should experience trauma and harm because of child protection and justice processes.

Children and families' voices and experiences have been at the heart of the development of Bairns Hoose, and we continue to work alongside them to influence the roll out of a gold standard for Bairns Hoose facilities across the whole of Scotland.

### **Expanding access to family group decision making**

Children 1st supported 404 families to take part in family group decision making (FGDM) before a life-changing decision was made about their child's future in 2023/2024. This is an increase of 6% on the previous year. Thanks to funding from the Corra Foundation through the Promise Partnership, Children 1st commissioned an independent evaluation report of our pilot family group decision making service for children and families involved in child protection processes in the Scottish Borders. All research participants, which included family members, young people and representatives from the Scottish Borders Council child protection team and Children 1st, felt that family group decision making helped towards realising the aspirations of the Promise and wanted to see access to the service expanded to include a wider variety of families with different levels of need.

During the year we secured additional Promise Partnership Funding to support us to realise the ambition that all children in Scotland at risk of becoming 'looked after' are offered family group decision making. To realise this ambition, we are increasing our internal capacity to deliver family group decision making and building collaborative networks of national and international family group decision making leaders and academics to grow momentum for change.

## Recovery

### **Offering support to recover from trauma**

We continued to develop our local services to ensure they support children to recover from trauma as part of a wider holistic family support approach. This was a particular area of focus for our services in Aberdeen, Renfrewshire, the Scottish Borders, and the Children 1st Bairns Hoose team. In the Scottish Borders we are testing the impact of providing access to external therapeutic supervision to support colleagues working with complex trauma. During the year we supported over 1,800 children and adults to recover from trauma across all our services.

### **Developing trauma recovery practice**

Throughout the year we continued to work with trauma expert Betsy de Thierry, a member of the Children 1st Bairns Hoose Delivering the Vision Group, to develop our trauma recovery practice. We also worked alongside our Bairns Hoose partners, the University of Edinburgh, and members of our international research advisory group to host a knowledge exchange with trauma experts at the University of Toronto to share international learning about how best to support children and families to recover from trauma and abuse.

### **Campaigning for all children to have access to a Bairns Hoose**

During the year we supported the Children 1st Changemakers, a group of young people who have extensive experience of the care, protection and justice systems, to play a central role in the development of both the Children 1st Bairns Hoose and the Scottish Government Bairns Hoose National Standards.

Following the launch of the Children 1st Bairns Hoose in August 2023, we continued to work with the Changemakers, and other children and families to campaign for all child victims and witnesses to have access to holistic trauma recovery support through a Bairns Hoose. In November 2023 we held a reception at the Scottish Parliament, with guest speaker Lady Dorrian, Lord Justice Clerk, to continue the campaign to ensure that the Bairns Hoose model keeps children's rights and needs at its' centre, as it is rolled out across Scotland.

### **Testing and developing responses to trauma recovery**

In October 2023, Children 1st were part of two successful bids to further develop the Bairns Hoose approach, through Scottish Government funded pathfinder projects in Aberdeen and Aberdeenshire. We continued to share, test and develop the emerging learning from the first Bairns Hoose to inform the development of the pathfinders and the wider approach to Bairns Hoose across Scotland.

## Fundraising

With donations we can be there when children need us most. Thanks to our incredible supporters we were able to grow fundraising income by 9% to £5m in 2023/24.

We have been heartened by the number of people who have donated and taken part in events to protect children across Scotland from harm, despite feeling the continued pressure of the cost-of-living crisis. From running marathons to skydiving, our supporters have gone above and beyond to raise vital funds.

Our 136 fundraising volunteers, and seven Children 1st Action Groups continue to support the charity by organising fundraising activities and raising awareness of our work across Scotland. We are incredibly thankful that so many people are willing to give up their precious spare time to help.

Gifts in Wills remain crucial to Children 1st. We are humbled that our donors trust the charity to invest their gifts wisely. With legacies, we can support babies, children and young people today, tomorrow and in years to come.

We are also incredibly grateful to the companies and charitable trusts and foundations who share our values, hopes and dreams for Scotland's children. Together, we make a real difference to the young people we help. The ongoing substantial support from players of People's Postcode Lottery means that we can sustain key services for children and families and develop new services that respond to children's most urgent needs.

Our essential work to prevent and protect children from harm and support them to recover from trauma and abuse is only made possible because of our generous volunteers, supporters and partners, we can't thank them enough.

## Volunteering

Over 80 volunteers supported us to keep children safe, loved and well in 2023/24. Throughout Scotland our dedicated volunteers support us in many ways including supporting families through Children 1st Parentline, providing direct support to children and families through our local services and raising vital funds. We are incredibly grateful for all the time they have given to support so many different areas of our work.

## People and Culture

At Children 1st having highly skilled, knowledgeable and compassionate colleagues and volunteers who are prepared to do whatever it takes to keep children safe is crucial to achieving our vision for all children in Scotland. During 2023/2024 we therefore invested in growing our people and culture team to enable Children 1st to better attract, retain and sustain our people so that, whatever our role, we can all do our absolute best for the children and families across Scotland who so urgently need our support.

## Financial Review

Income from donations and legacies has increased 9.1% on the previous year from £4,589,000 to £5,008,000. In 2023/2024 donated services were £133,000 (2023: £29,000). Grant income increased by 4.8% from £9,508,000 to £9,969,000. Over £39,000 of this increase was due to the increase in the reimbursement to Safeguarders for fees and expenses under our management contract with the Scottish Government. In addition, we saw increased activity across several services resulting in increased income.

The value of our investment portfolio increased by £235,000 (+13%) over the year to £2,008,000 from £1,773,000). The underlying portfolio remains diversified and is managed within the framework of a moderate investment risk

Expenditure on charitable activities increased by 4.5%, this includes the rise of £39,000 in fees and expenses paid to Safeguarders mentioned above. The increase was also due to the introduction of new services and increased activity in existing services. In addition, we were able to increase the practical support provided to children and families through funding received in response to our fundraising activities.

The percentage paid to staff, as a percentage of overall expenditure was 67.5%. (2022/23 – 64.2%). Staff numbers rose to 257 FTE an increase of 1 on the previous year. (2022/2023 256 FTE). The expenditure increase reflects the review and implementation of salaries that took place.

The results for the year have been achieved as the Charity has invested in its staff and services focusing on its operations to support children and families in Scotland. We have continued to raise more funds than in recent years after allowing for the large legacy received in 2020/2021 and have raised funds to support both ongoing activities and for those affected by the cost-of-living crisis.

The increased funding raised by fundraising colleagues allowed our Children and Family services to spend more on practical support at this difficult time due to the cost-of-living crisis. We have also seen the increased expansion of other services, allowing us to spend more on those we support. Overall, the results represent a consolidation of our financial position and are testament to the efforts of all our staff and management to ensure the charity operates within its means.

As at 31 March 2024, the charity's net assets on the balance sheet are £8,383,000 compared to £8,026,000 at 31 March 2023. The Board is satisfied that the financial position of the charity remains strong, with positive net current assets. The Board is also satisfied that the charity has a diverse income stream with no over-reliance on any single income source. The design of the charity's wide offering of services also would allow flexibility in the eventuality that any single source of income is cut or withdrawn.

## Reserves Policy

The reserves policy of Children 1st is to retain sufficient reserves to:

- ensure that commitments made to providing services to children in the form of contractual commitments to staff, premises and funding partners can be made with confidence;
- have sufficient available reserves to meet the short term committed expenditure in the event of adverse circumstances; and

- underpin the strategic aims of the period 2018-2025; and
- maintain the appropriate level of liquidity of the underlying reserves.

The Board closely monitors its policy each year. Following that review, the Board has approved the adequacy and appropriateness of the existing approach to reserves management.

The Board regularly monitors reserves adequacy in relation to the identified risks attaching to the main sources of income and their relationship to underlying expenditure.

### Unrestricted Funds

Our current unrestricted general reserves are £4,012,000 an increase of £907,000 compared to last year's position.

The Board has set a target to maintain unrestricted general and designated reserves (excluding the Fixed Asset Designated Reserve) to not less than three months relevant costs. This was deemed to be £3,363,000 from the budgeted expenditure figure, and the year-end total of unrestricted and designated funds (excluding the Fixed Asset Designated Reserve) equals £5,463,000 equating to five months of expected expenditure. Consequently, the year-end position exceeds this policy by £2,122,000. The Board recognises that this position is above its acceptable range of tolerance, however it expects that the proposed designated expenditure on major projects in the forthcoming year will rectify this position.

### Designated Funds

Designated funds totalling £3,794,000 are unrestricted funds which have been assigned by the charity for specific purposes in the future and includes the Fixed Assets designated reserve (£2,343,000) to cover the book value of fixed assets: buildings, fixtures, vehicles, office equipment and information technology used by the charity in its work. The transfer to general funds represents the net movement of fixed assets, arising from additions, disposals, and depreciation charges in the budget for 2024/2025 the Board has designated funds to carry out major projects across the charity in line with our strategic ambitions and goals.

### Restricted and Endowment Funds

Restricted funds can only be used for specific purposes agreed with the donor or funder. At the year-end these funds totalled £294,000 and include funds from local authorities across Scotland for service delivery in their regions and from other funders for specific service provision. Endowment funds totalled £52,000.

### Investment Policy and Objectives

The Board has adopted an investment policy which enshrines the principles of prudence, caution, due care and attention, written authority, and regular review. The objective of the policy is to maintain and enhance the real long-term value of the invested funds and to create income to assist the charity in carrying out its purposes. The market value of the investment portfolio has increased by £235,000.

(2022/2023 decrease of £188,000). The Board remains confident in the suitability of its investment strategy.

The investment portfolio is maintained with Brewin Dolphin who are investment advisors to the Board of Trustees. Investment decisions are reviewed by the Finance, Audit and Risk Committee, and it meets annually with the Investment Advisors to review the overall performance of the portfolio.

During 2023/2024 the Board successfully tendered the role of investment advisor, and we are currently transitioning over to our new investment advisor, LGT Wealth Management.

The investment portfolio is invested across a broad range of assets to protect capital value and maximise real long-term capital returns over time through the diversification of both income and potential capital gains. At the year end, the portfolio had 17% in fixed income, 70% in equities, with the balance split between alternative investments, commercial property and cash.

It is also the charity's intention to hold sufficient working cash levels to meet fluctuating needs. These cash funds are not held as part of the investment portfolio maintained by our investment advisors.

The Trustees have advised that it is important that the holdings within the portfolio are sensitive to the objectives and mission of Children 1st. The Trustees are committed to conducting their financial affairs in a responsible manner consistent with the ethical obligations of stewardship and relevant legal requirements.

Instruction has therefore been given to the investment manager to avoid direct investment in any company that has been involved in the sale and production of tobacco, or tobacco-based products or that is involved in pornography. However, the Trustees accept that some companies may be involved to a small extent in the sale of tobacco and would like to exclude companies where more than 5% of revenue comes from this area.

In addition, the Trustees wish to avoid direct investment into companies that have attracted critical and high allegations related to child labour or forced labour within their own operations or supply chain. The Trustees also wish to avoid direct investment into companies that have been accused of significant or minor allegations related to child labour and forced labour where the response from the company has been reactive or uncommunicative.

The Trustees acknowledge that the exclusion of companies involved in the above areas is not possible when investing through pooled funds, although consideration will be given to the underlying holdings in any such collective fund, at the time of purchase and periodically so that any substantial exposures may be identified, and appropriate action taken.

The Trustees may see fit to exclude other areas from the investment portfolio in the future and they will inform the investment managers of any changes to the ethical policy.

This strategy was developed with the advice of our investment advisors and takes into account the nature of the charity's business as reflected in its strategic plan and by design seeks to diversify investment risk and reduced inflationary risk.

## Going Concern

The Trustees are confident that the Charity has sufficient funds and certainty of funding for it to continue to operate over the foreseeable future.

The Trustees have always been mindful of the need to have sufficient reserves and cash reserves to ensure the continued financial sustainability of the charity. At the year end the Charity had cash balances of £1.4 million and near-cash investments that can be easily liquidated of over £2.7 million. Of the balances held, £1.5 million relates to funds for designated projects that have not yet been carried out.

The Trustees have based their opinion on the following work undertaken by the charity.

- Regular (quarterly) review of management accounts
- Regular (quarterly) review of rolling annual cashflow projections.
- Review of at least two full year reforecasts during a financial year.
- Approval of the annual budget of the charity which includes long-term financial projections to the end of the period of the Strategic Priorities of 31 March 2026.
- Review of the sustainability of the charity through financial projections examining reductions in the levels of fundraising where there is some degree of uncertainty of funding. This includes the impact of such dramatic and unlikely shortfalls on other areas of the charity such as services and corporate functions.

The Trustees are also aware that for a number of service contracts and fundraising income streams there is a high degree of certainty projecting forward beyond the next twelve months from the date of the signing of the financial statements.

Due to the factors and actions highlighted above, the Trustees have concluded that they believe that the charity remains a going concern and that it is appropriate to prepare the financial statements on that basis.



## Independent Auditor's Report to the Trustees of Children 1<sup>st</sup>

### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2024 and of its incoming resources and application of resources 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of Children 1st ("the Charity") for the year ended 31 March 2024 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remain independent of the Charity in accordance with the ethical requirements 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.

### Conclusions related to going concern

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

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



## Independent Auditor's Report to the Trustees of Children 1<sup>st</sup> (continued)

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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. 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion; the information given in the Trustees' Report is inconsistent in any material respect with the financial statements:

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

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities, the Trustees 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.

## Independent Auditor's Report to the Trustees of Children 1<sup>st</sup> (continued)

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

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

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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:

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Charity's and the sector in which it operates;
- Discussion with management, those charged with governance and the Finance, Audit & Risk Committee
- Obtaining and understanding of the Charity's policies and procedures regarding compliance with laws and regulations; and

We considered the significant laws and regulations to be the applicable accounting framework (UK GAAP and the Charities SORP).

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of confirmations received from the entity's solicitor.

## Independent Auditor's Report to the Trustees of Children 1<sup>st</sup> (continued)

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charity's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
  - Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and the completeness of legacy income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including legacy income recognition;
- Selecting samples of legacy income from legacy records maintained by fundraising department and agreeing to supporting documentation and confirming the income was recognised in the correct period; and
- Reviewing open legacies at year end for evidence of legacies which met the recognition criteria but had not been recognised.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

## Independent Auditor's Report to the Trustees of Children 1<sup>st</sup> (continued)

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://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 trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
*Martin Gill*  
B6F16A8EF9FD4ED...  
[Signature of RI]

Martin Gill

For and on behalf of BDO LLP, statutory auditor

Edinburgh

Date 03 September 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Statement of Financial Activities (Incorporating Income and Expenditure Account) for the Year ended 31 March 2024

	Notes	2024					2023	
		Unrestricted General Funds	Unrestricted Designated Funds	Unrestricted Revaluation Reserve	Restricted Funds	Endowment Funds	Total	Total
		£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Income and endowments from:</b>								
Donations and legacies	4	4,639	-	-	369	-	<b>5,008</b>	4,589
Charitable activities	5	7,226	-	-	2,743	-	<b>9,969</b>	9,508
Investments		64	-	-	-	-	<b>64</b>	56
Other income		55	-	-	-	-	<b>55</b>	77
<b>Total income</b>		<b>11,984</b>	<b>-</b>	<b>-</b>	<b>3,112</b>	<b>-</b>	<b>15,096</b>	<b>14,230</b>
<b>Expenditure on:</b>								
Raising funds	7	966	68	-	18	-	<b>1,052</b>	1,293
Charitable activities	6	10,181	392	-	3,297	-	<b>13,870</b>	13,268
<b>Total expenditure</b>		<b>11,147</b>	<b>460</b>	<b>-</b>	<b>3,315</b>	<b>-</b>	<b>14,922</b>	<b>14,561</b>
<b>Total income less expenditure</b>		<b>837</b>	<b>(460)</b>	<b>-</b>	<b>(203)</b>	<b>-</b>	<b>174</b>	<b>(331)</b>
Net gains/ (losses) on investments		56	-	127	-	-	<b>183</b>	(264)
<b>Net income/(expenditure)</b>		<b>893</b>	<b>(460)</b>	<b>127</b>	<b>(203)</b>	<b>-</b>	<b>357</b>	<b>(595)</b>
<b>Transfer between funds</b>	22-24	14	(14)	-	-	-	-	-
<b>Net movement in funds</b>		<b>907</b>	<b>(474)</b>	<b>127</b>	<b>(203)</b>	<b>-</b>	<b>357</b>	<b>(595)</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward		3,105	4,268	104	497	52	<b>8,026</b>	8,621
<b>Total funds carried forward</b>	<b>19-24</b>	<b>4,012</b>	<b>3,794</b>	<b>231</b>	<b>294</b>	<b>52</b>	<b>8,383</b>	<b>8,026</b>

The notes on pages 29 to 49 form part of these financial statements

Balance Sheet  
As at 31 March 2024

		31 March 2024		31 March 2023
	Notes	£000's		£000's
<b>Fixed Assets</b>				
Tangible Assets	12	1,866		1,694
Intangible Assets	13	478		663
Investments	14	2,008		1,773
		4,352		4,130
<b>Current Assets</b>				
Debtors	15	3,910		1,713
Fixed term deposit	16	765		-
Cash at bank and in hand	16	1,396		4,213
		6,071		5,926
<b>Liabilities</b>				
Creditors: Amounts falling due within one year	17	2,040		2,030
		4,031		3,896
<b>Total net assets</b>		<b>8,383</b>		<b>8,026</b>
<b>The funds of the charity</b>				
Restricted Funds	20	294		497
Endowment Fund	21	52		52
Unrestricted Funds	22	4,012	3,105	
Designated Funds	23	3,794	4,268	
Revaluation Reserve	24	231	104	
Total unrestricted funds		8,059		7,477
<b>Total charity funds</b>		<b>8,383</b>		<b>8,026</b>

The financial statements were authorised for issue by the Trustees on 3rd September 2024 and signed on their behalf by:



Maggie Craig M.A.  
Chair



Brian Davidson M.A., C.A.  
Hon. Treasurer

Statement of Cash Flows  
For the Year ended 31 March 2024

	Notes	Year Ended 2024 £000's	Year Ended 2023 £000's
Net income/ (expenditure) for the period		379	(595)
Adjustments for			
Depreciation charge	12	91	68
Amortisation charge	13	213	141
Losses/ (gains) on disposal of Fixed Assets	12	170	
Losses/ (gains) on Investments		(183)	264
Dividends, interest and rents from investments		(64)	(61)
Decrease/ (increase) in debtors		(2,197)	(118)
(Decrease)/ increase in creditors		(12)	(145)
Net cash flows from operating activities		<b>(1,603)</b>	<b>(446)</b>
<b>Cash flows from investing activities</b>			
Investment income		64	61
Purchase of property, plant and equipment	12	(433)	(575)
Purchase of intangible assets	13	(28)	(484)
Proceeds from sale of investments		635	275
Purchase of investments	14	(687)	(388)
Purchase of term deposits	16	(765)	-
<b>Net cash used in investing activities</b>		<b>(1,214)</b>	<b>(1,111)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(2,817)</b>	<b>(1,557)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>4,213</b>	<b>5,770</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	16	<b>1,396</b>	<b>4,213</b>

## 1. Accounting Policies

### a) Basis of preparation

Children 1st is the working name of the Royal Scottish Society for Prevention of Cruelty to Children. The financial statements are denominated in pounds sterling (GBP). The financial statements are rounded to the nearest £1,000. The principal activity of the charity is the provision of services to children and families. The charity is an unincorporated charity, recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR). The charity number and registered office are listed on p3.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Children 1st meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

### b) Going concern

The Trustees base their opinion on the following work undertaken by themselves;

- Regular (quarterly) review of management accounts.
- Regular (quarterly) review of rolling annual cashflow projections.
- Review of at least two full year reforecasts during a financial year.
- Approval of the annual budget of the charity to the end of the period of the Strategic Priorities of 31 March 2026.
- Review of the sustainability of the charity through financial projections examining reductions in the levels of fundraising where there is some degree of uncertainty of funding. This includes the impact of such dramatic and unlikely shortfalls on other areas of the charity such as services and corporate functions.



## c) Recognition and allocation of income

Income is recognised when the charity has legal entitlement to the funds, receipt is probable, and the amount can be measured reliably.

Where there are performance related conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions are within the charity's control and there is sufficient evidence that they have been met or will be met, otherwise they are deferred. Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable.

Where there are terms placed on income that limit the charity's discretion over how that income can be used, that income is shown as restricted income in the financial statements.

Interest receivable is recognised using the effective interest rate applicable to the asset. Dividend income is recognised when the right to receipt is established and is measured at fair value, generally the transaction value.

Entitlement to legacy income exists when the charity has sufficient evidence that a gift has been left, the executor is satisfied that the gift will not be required to satisfy the claims on the estate and any conditions are within the control of the charity or have been met. Where legacies have been notified to the charity and the criteria for income recognition haven't been met, the legacy is treated as a contingent asset and disclosed if material. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised until the death of the life tenant. Legacy income is measured at fair value, generally the cash amount receivable, and is discounted if deferred for more than 12 months. The unwinding of the discount is recognised as interest receivable.

Donated facilities and services are recognised in income when received and are valued at the amount payable in the open market for an alternative item that would provide an equivalent benefit to the gift. An equivalent amount is recognised as an expense. The contribution of unpaid general volunteers is not recognised as income due to the absence of a reliable measurement basis.

## d) Recognition and allocation of expenditure

Expenditure is recognised when the charity has entered into a legal or constructive obligation and related where practicable to the operating activities of the charity. Where possible, expenditure is allocated directly to the function to which it relates.

Expenditure on raising funds comprises those costs which are associated with the generation of income from sources other than from undertaking charitable activities, the Action Groups which fundraise on our behalf and investment management costs. Expenditure which is directly attributable to running fundraising events undertaken for the charity by supporters is accounted for by the organisers of the events and is netted against the income received from the events.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its charitable activities and services (Children and Family Services). Expenditure is apportioned to various Children and Family Services activities to reflect the value each activity derives from the expenditure.

Notes to the Financial Statements  
For the Year ended 31 March 2024

Employee termination benefits include statutory payments and agreements made with individual employees. The amounts paid are recognised as an expense in the statement of financial activities when they fall due.

Support costs are apportioned between Fundraising and Services to Children and Families based on the number of full-time equivalent staff involved in each area.

e) Leases

Rentals payable under operating leases are charged to expenditure on a straight-line basis over the term of the lease. Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term. Lease incentives are recognised over the term of the lease.

f) Pensions

The charity facilitates an externally managed group money purchase pension scheme for staff. Pension contributions made by the charity are charged to expenditure in the year in which they are incurred and are attached to the individual employees' salary expense when allocating the liability and expense between activities and between restricted and unrestricted funds.

g) Taxation

No taxation is provided for given the charitable status.

h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. All capital expenditure over £1,500 is capitalised, with amounts under this expensed in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets at a rate calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Leasehold Land & Buildings	– straight line over term of lease
Motor Vehicles	– 25% straight line
Freehold Land & Buildings	– 2% straight line
Fixtures and Office Equipment	– 10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Activities.

Notes to the Financial Statements  
For the Year ended 31 March 2024

i) Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses.

Amortisation is provided on all intangible fixed assets at a rate calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Computer Software	– 25% straight line
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j) Investments

Quoted investments are stated at market value at the reporting date. Gains and losses arising are applied to the Revaluation Reserve in Unrestricted Funds and are charged or credited to the Statement of Financial Activities in the period in which they arise.

k) Financial assets and financial liabilities

Financial instruments are recognised in the Statement of Financial Activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instruments.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102, with the exception of concessionary loans which follow the alternative provisions for public benefit entities in accordance with paragraph PBE34, P1 (b), as noted at accounting policy a) above

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

l) Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

#### m) Cash and cash equivalents

Cash and equivalents consist of cash on hand and balances with banks. Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

#### n) Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price. Concessionary loans received are initially measured at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest.

#### o) Funds

Restricted funds are those which have been given to the charity by donors subject to specific conditions or received from special appeals subject to conditions.

Endowment funds are funds given with the restriction that they are held as capital.

Unrestricted funds are available for use at the discretion of the Board. In order to ensure that funds are available for specific future expenditure, certain funds are set aside and designated by the Board into separate funds.

## 2. Critical Judgments and Estimates

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

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Legacy income is measured at fair value, but where part of a legacy left to the charity includes property or shares to be sold, judgement is used to estimate the amount receivable. This judgement is usually based on the estimate of solicitors involved in the distribution of the estate.
- Depreciation and amortisation of fixed assets are calculated based on a rate calculated to write off the cost less estimated residual value of each asset over its expected useful life.

Consideration is given to any potential impairment of fixed assets.

## 3. COMPARATIVE STATEMENTS OF FINANCIAL ACTIVITIES

	2023					Total £000's
	Unrestricted General Funds £000's	Revaluation Reserve £000's	Unrestricted Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	
<b>Income and endowments from:</b>						
Donations and legacies	3,266	-	-	1,323	-	4,589
Charitable activities	5,853	-	-	3,655	-	9,508
Investments	56	-	-	-	-	56
Other Income	77	-	-	-	-	77
<b>Total income</b>	<b>9,252</b>	<b>-</b>	<b>-</b>	<b>4,978</b>	<b>-</b>	<b>14,230</b>
<b>Expenditure on:</b>						
Raising funds	692	30	-	571	-	1,293
Charitable activities	6,844	400	-	6,024	-	13,268
<b>Total expenditure</b>	<b>7,536</b>	<b>430</b>	<b>-</b>	<b>6,595</b>	<b>-</b>	<b>14,561</b>
<b>Total income less expenditure</b>	<b>1,716</b>	<b>(430)</b>	<b>-</b>	<b>(1,617)</b>	<b>-</b>	<b>(331)</b>
Net losses on investments	(76)	-	(188)	-	-	(264)
<b>Net income/(expenditure)</b>	<b>1,640</b>	<b>(430)</b>	<b>(188)</b>	<b>(1,617)</b>	<b>-</b>	<b>(595)</b>
<b>Transfer between funds</b>	<b>(1,253)</b>	<b>746</b>	<b>(76)</b>	<b>583</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>387</b>	<b>316</b>	<b>(264)</b>	<b>(1,034)</b>	<b>-</b>	<b>(595)</b>

#### 4. Donations and Legacies

	2024 £000's	2023 £000's
Individuals and Community	535	509
Trusts, Organisations and Corporate Bodies	933	1,741
People's Postcode Lottery	1,000	1,275
Legacies (note 27)	2,407	1,035
Donated Services	133	29
<b>Total donations and legacies</b>	<b>5,008</b>	<b>4,589</b>

#### 5. Charitable activities

The sole charitable activity undertaken by the charity is the provision of services to children and families.

	Restricted £000's	Unrestricted £000's	2024 £000's	2023 £000's
Scottish Government	1,469	1,310	2,779	2,556
Local Authorities	99	4,539	4,638	4,603
Other Bodies	1,152	1,276	2,428	2,140
Services Income	23	101	124	209
<b>Total</b>	<b>2,743</b>	<b>7,226</b>	<b>9,969</b>	<b>9,508</b>

In the year, the charity received funding of £2,779,000 (2023: £2,556,000) from the Scottish Government. Of this, £1,468,000 (2023: £1,429,000) was the reimbursement of fees and expenses incurred by the members of the National Safeguarders' Panel. There were no unfulfilled conditions relating to Government grant income recognised.

Services income represents income from training, and other income from services provided.

## 6. Expenditure on Charitable Activities

	<b>Direct Costs</b>	<b>Support Costs (Note 8)</b>	<b>Total 2024</b>	Total 2023
2024	£000's	£000's	£000's	£000's
Employment costs	8,211	1,198	9,409	8,483
Other employment costs	183	102	285	264
Vehicle and travel costs	223	18	241	186
Property costs	306	69	375	359
Services costs	2,268	7	2,275	3,288
Office costs	375	401	776	545
Publicity costs	23	20	43	44
Professional fees	128	181	309	231
Other costs	175	(47)	128	(151)
Governance costs (note 9)	-	29	29	19
<b>Total</b>	<u>11,892</u>	<u>1,978</u>	<u>13,870</u>	<u>13,268</u>

Donated services of £133,000 are included within services costs.

	<b>Direct Costs</b>	<b>Support Costs (Note 8)</b>	<b>Total 2023</b>
2023	£000's	£000's	£000's
Employment costs	7,570	913	<b>8,483</b>
Other employment costs	144	120	<b>264</b>
Vehicle and travel costs	173	13	<b>186</b>
Property costs	287	72	<b>359</b>
Services costs	3,276	12	<b>3,288</b>
Office costs	300	245	<b>545</b>
Publicity costs	14	30	<b>44</b>
Professional fees	141	90	<b>231</b>
Other costs	-	(151)	<b>(151)</b>
Governance costs	14	5	<b>19</b>
<b>Total</b>	<u>11,919</u>	<u>1,349</u>	<u>13,268</u>

Donated services of £19,000 are included within services costs.

## 7. Expenditure On Raising Funds

	<b>Direct Costs</b>	<b>Support Costs (Note 8)</b>	<b>Total 2024</b>	<b>Total 2023</b>
<b>2024</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Employment costs	590	63	<b>653</b>	860
Other employment costs	39	5	<b>44</b>	51
Vehicle and travel costs	7	1	<b>8</b>	19
Property costs	12	7	<b>19</b>	27
Services costs	9	-	<b>9</b>	11
Office costs	50	21	<b>71</b>	76
Publicity costs	183	1	<b>184</b>	238
Professional fees	48	10	<b>58</b>	16
Other costs	7	(1)	<b>6</b>	(5)
<b>Total</b>	<u>945</u>	<u>107</u>	<u><b>1,052</b></u>	<u>1,293</u>

Donated services of £nil are included within publicity costs.

	<b>Direct Costs</b>	<b>Support Costs (Note 8)</b>	<b>Total 2023</b>
<b>2023</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Employment costs	791	69	<b>860</b>
Other employment costs	42	9	<b>51</b>
Vehicle and travel costs	18	1	<b>19</b>
Property costs	22	5	<b>27</b>
Services costs	10	1	<b>11</b>
Office costs	58	18	<b>76</b>
Publicity costs	236	2	<b>238</b>
Professional fees	9	7	<b>16</b>
Other costs	6	(11)	<b>(5)</b>
<b>Total</b>	<u>1,192</u>	<u>101</u>	<u><b>1,293</b></u>

Donated services of £10,000 are included within publicity costs.



## 8. Support Costs

<b>2024</b>	<b>Services to Children &amp; Families £000's</b>	<b>Raising Funds £000's</b>	<b>Governance Costs (Note 9) £000's</b>	<b>Total 2024 £000's</b>	<b>Total 2023 £000's</b>
Employment costs	1,198	63	-	<b>1,261</b>	982
Other employment costs	102	5	-	<b>107</b>	129
Vehicle and travel costs	18	1	-	<b>19</b>	14
Property costs	69	7	-	<b>76</b>	77
Services costs	7	-	-	<b>7</b>	13
Office costs	401	21	-	<b>422</b>	260
Publicity costs	20	1	-	<b>21</b>	32
Professional fees	181	10	-	<b>191</b>	97
Other costs	(47)	(1)	29	<b>(19)</b>	(144)
<b>Total</b>	<b><u>1,949</u></b>	<b><u>107</u></b>	<b><u>29</u></b>	<b><u>2,085</u></b>	<b><u>1,460</u></b>

<b>2023</b>	<b>Services to Children &amp; Families £000's</b>	<b>Raising Funds £000's</b>	<b>Governance Costs (Note 9) £000's</b>	<b>Total 2023 £000's</b>
Employment costs	913	69	-	<b>982</b>
Other employment costs	120	9	-	<b>129</b>
Vehicle and travel costs	13	1	-	<b>14</b>
Property costs	72	5	-	<b>77</b>
Services costs	12	1	-	<b>13</b>
Office costs	245	18	-	<b>260</b>
Publicity costs	30	2	-	<b>32</b>
Professional fees	90	7	-	<b>97</b>
Other costs	(151)	(11)	18	<b>(144)</b>
<b>Total</b>	<b><u>1,341</u></b>	<b><u>101</u></b>	<b><u>18</u></b>	<b><u>1,460</u></b>

## 9. Governance Costs

2024	Services to Children & Families £000's	<b>Total 2024 £000's</b>	Total 2023 £000's
Auditor's remuneration:			
- Audit fees	29	29	18
<b>Total</b>	<u>29</u>	<u>29</u>	<u>18</u>

In the year, fees of £nil were paid over to the Charity's auditors in respect of non-audit services (£2023: £2,000)

## 10. Employee Benefit Expenses

	2024 £000's	2023 £000's
Wages and Salaries	8,446	7,804
Social Security Costs	807	798
Pension Costs - Defined Contribution Schemes	729	638
Other Employment Costs	79	103
	<u>10,061</u>	<u>9,343</u>

Redundancy and termination costs of £42,000 (2023: £52,000) were incurred in the year and are included within other employment costs. £nil of these costs were accrued at year end (2023: £nil).

There were two employees whose annual emoluments, excluding employer's pension contributions, were £60,000 or more (2023: 4). One employee's emoluments fell within the £60,000 to £70,000 band (2023: 3), and the other employee fell within the £80,000 to £90,000 bracket (2023: 1)

The key management personnel of the charity comprise of the Chief Executive, Director of Children and Family Services, Director of Finance and Corporate Services, Director of Fundraising and Business Development, Director of People and Culture. The employee benefits for key management totalled £346,000 (2023: £346,000).

The average headcount for the year was 288 (2023: 284) and the average full-time equivalent was 257 (2023: 256).

Allocation of support costs is based on the average full-time equivalent number of employees during the year as follows:

	2024	2023
Fundraising	12	17
Support	25	25
Children and Family Services	220	214
<b>Total</b>	<b>257</b>	<b>256</b>

Throughout the year, volunteers have continued to play a vital role in helping Children 1st carry out its work. This year we had 88 volunteers contributing to the following services:

	2024	2023
Children and Family Services	16	49
Parentline	45	43
Fundraising	16	79
Board members	9	16
Specialist	2	1
	<b>88</b>	<b>188</b>

## 11. Board Remuneration and Expenses

The Board (or any persons connected with them) were not paid, nor did they receive any other benefits from employment with the charity, nor did they receive payment for professional or other services supplied to the charity. Travel expenses of £263 (2023: £124) were reimbursed to one Board member in the year (2023:1).

Other than the above, there were no transactions with related parties in either the current or previous year.

## 12. Tangible Assets

	Freehold Land & Buildings £000's	Leasehold Land & Buildings £000's	Fixtures & Office Equipment £000's	Computers £000's	Assets Under Construction £000's	Total £000's
<b>Cost</b>						
At 1 April 2023	1,420	106	77	195	727	2,525
Additions	-	39	72	32	290	433
Transfers	847	-	-	-	(847)	-
Disposal	-	-	-	-	(170)	(170)
At 31 March 2024	<b>2,267</b>	<b>145</b>	<b>149</b>	<b>227</b>	<b>-</b>	<b>2,788</b>
<b>Depreciation</b>						
At 1 April 2023	583	90	72	86	-	831
Charge for the year	39	9	4	39	-	91
At 31 March 2024	<b>622</b>	<b>99</b>	<b>76</b>	<b>125</b>	<b>-</b>	<b>922</b>
<b>Net Book Value</b>						
<b>At 31 March 2024</b>	<b>1,645</b>	<b>46</b>	<b>73</b>	<b>102</b>	<b>-</b>	<b>1,866</b>
At 31 March 2023	837	16	5	109	727	1,694

The additions in Assets Under Construction column at the start of the year related to capital expenditure at Capelrig and North Strathclyde Bairns Hoose. The Children 1st North Strathclyde Bairns Hoose officially opened on Tuesday 29th August 2023 and there was no depreciation charged until the asset was in full use. During the year it was decided that the Capelrig project was no longer viable and that the project should cease with the consequent write-off of expenditure.

### 13. Intangible Assets

	<b>Computer Software</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>
<b>Cost</b>		
At 1 April 2023	1,178	<b>1,178</b>
Additions	28	<b>28</b>
Transfer	-	-
At 31 March 2024	<u><b>1,206</b></u>	<u><b>1,206</b></u>
<b>Amortisation</b>		
At 1 April 2023	515	<b>515</b>
Charge for the year	<u>213</u>	<u><b>213</b></u>
At 31 March 2024	<u><b>728</b></u>	<u><b>728</b></u>
<b>Net Book Value</b>		
<b>At 31 March 2024</b>	<u><u><b>478</b></u></u>	<u><u><b>478</b></u></u>
At 31 March 2023	<u><u>663</u></u>	<u><u>663</u></u>

## 14. Investments

	<b>2024</b> <b>£000's</b>	2023 £000's
Quoted Investments		
Market value as at 1 April 2023	1,773	1,924
Disposals during the year	(635)	(351)
Additions during the year	687	388
Unrealised gains/(losses) on investments	183	(188)
Market value at 31 March 2024	<u>2,008</u>	<u>1,773</u>
Cash as part of portfolio (note 16)	28	45
<b>Balance carried forward at 31 March 2024</b>	<b><u>2,036</u></b>	<b><u>1,818</u></b>

1 investment (2023: 0) individually exceeds 5% of the portfolio:

Vanguard Funds PLC S&P 500 UCITS ETF USD DIS – 6.4%

Investments were split as follows:

<b>Asset Allocation</b>	<b>2024</b>		<b>2023</b>	
	<b>£000's</b>	<b>%</b>	<b>£000's</b>	<b>%</b>
Fixed income	350	17%	272	15%
Equities	1,429	70%	1,261	70%
Alternatives	127	6%	240	13%
Cash	28	1%	45	2%
Other	102	6%	-	0%
	<u><b>2,036</b></u>		<u><b>1,818</b></u>	

	<b>2024</b> <b>£000's</b>	2023 £000's
Historical cost of investments	1,777	1,669
Cash held for investments	28	45
	<u><b>1,805</b></u>	<u><b>1,714</b></u>

## 15. Debtors

	<b>2024</b> <b>£000's</b>	2023 £000's
Trade debtors	1,175	667
Sundry debtors	1	31
Prepayments	130	76
Accrued income	2,604	939
	<u><b>3,910</b></u>	<u><b>1,713</b></u>

## 16. Cash And Cash Equivalents

	2024 £000's	2023 £000's
Cash at bank and in hand	1,368	4,168
Cash as part of the investment portfolio	28	45
	<hr/> 1,396	<hr/> 4,213
	765	-
	<hr/> <b>2,161</b> <hr/>	<hr/> <b>4213</b> <hr/>

## 17. Creditors: Amounts Falling Due Within One Year

	2024 £000's	2023 £000's
Trade creditors	192	116
Pensions creditor	77	63
Other creditors	248	33
Accruals and deferred Income	873	1,228
Taxation and social security	650	590
	<hr/> <b>2,040</b> <hr/>	<hr/> <b>2,030</b> <hr/>

Deferred income was received relating to services to be performed in subsequent years as follows:

	2024 £000's	2023 £000's
Opening balance	695	683
Income deferred	3,844	695
Income recognised	(3,849)	(683)
Closing balance	<hr/> <b>690</b> <hr/>	<hr/> <b>695</b> <hr/>

## 18. Financial Assets and Liabilities

	2024 £000's	2023 £000's
Financial assets at fair value	2,008	1,773

Financial assets at fair value comprise quoted investments.

## 19. Analysis of Net Assets by Funds

The fund balances at 31 March 2024 are represented by:

	<b>Unrestricted General Funds</b>	<b>Unrestricted Designated Funds</b>	<b>Unrestricted Revaluation Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total</b>
	£000's	£000's	£000's	£000's	£000's	£000's
Fixed Assets	-	2,344	-	-	-	2,344
Investments	1,777	-	231	-	-	2,008
Net Current Assets	2,235	1,450	-	294	52	4,031
<b>As at 31 March 2024</b>	<b>4,012</b>	<b>3,794</b>	<b>231</b>	<b>294</b>	<b>52</b>	<b>8,383</b>

The fund balances at 31 March 2023 are represented by

	<b>Unrestricted General Funds</b>	<b>Unrestricted Designated Funds</b>	<b>Unrestricted Revaluation Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total</b>
	£000's	£000's	£000's	£000's	£000's	£000's
Fixed Assets	-	2,357	-	-	-	2,357
Investments	1,669	-	104	-	-	1,773
Net Current Assets	1,436	1,911	-	497	52	3,896
<b>As at 31 March 2023</b>	<b>3,105</b>	<b>4,268</b>	<b>104</b>	<b>497</b>	<b>52</b>	<b>8,026</b>

## 20. Restricted Funds

<b>2024</b>	<b>Balance at 1 April 2023</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 31 March 2024</b>
	£000's	£000's	£000's	£000's
Local Authority Funds – various	139	99	(27)	211
Scottish Government – various	-	1,468	(1,468)	-
People's Postcode Lottery Dream Trust	315	375	(670)	20
Corra Foundation	-	648	(648)	-
Capital City Partnership	43	115	(158)	-
STV Hardship Fund	-	335	(335)	-
Other Funds	-	72	(9)	63
<b>Total Restricted Funds</b>	<b>497</b>	<b>3,112</b>	<b>(3,315)</b>	<b>294</b>



<b>2023</b>	<b>Balance at 1 April 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers In</b>	<b>Balance at 31 March 2023</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Local Authority Funds - various	132	777	(1,353)	583	139
Scottish Government - various	-	1,691	(1,691)	-	-
People's Postcode Lottery Dream Trust	663	782	(1,130)	-	315
Robertson Trust	-			-	-
Capital City Partnership	-	300	(257)	-	43
Corra Foundation	-	593	(593)	-	-
Other Funds	736	835	(1,571)	-	-
				-	
<b>Total Restricted Funds</b>	<b>1,531</b>	<b>4,978</b>	<b>(6,595)</b>	<b>583</b>	<b>497</b>

The charity received several restricted funds in excess of £150,000 in the year:

#### **Local Authority funds**

Restricted funding is received from a number of Local Authorities to deliver services to children and families.

#### **Scottish Government**

Funding was received for fees and expenses incurred by members of the National Safeguarders' Panel.

#### **People's Postcode Lottery Dream Trust**

Funding was received from People's Postcode Lottery through the Dream Trust to test, learn and develop Scotland's first Bairns Hoose in North Strathclyde.

#### **Corra Foundation**

Funding received for a number of projects to work with children and young people aged pre-birth to 26 who are affected by alcohol or other drug use.

Other funds consist of several smaller funds from a number of funders for specific projects. There are no funds greater than £150,000 not separately disclosed.

#### **STV Hardship Fund**

Funding received towards our Bide Oot service which offers children and families with the opportunity to try new skills, skills and activities together in the outdoors.

## 21. Endowment Funds

<b>2024</b>	Balance at 1 April 2023	Income	Expenditure	Balance at 31 March 2024
	£000's	£000's	£000's	£000's
MacLagan Bequest	52	-	-	52

  

<b>2023</b>	Balance at 1 April 2022	Income	Expenditure	Balance at 31 March 2023
	£000's	£000's	£000's	£000's
MacLagan Bequest	52	-	-	52

The endowment fund earned interest of £nil (2023: £nil). The bequest was received in 1992 with the terms being that Children 1st were to hold the funds in trust for the sole purpose of generating income.

## 22. Unrestricted Funds

<b>2024</b>	Balance at 1 April 2023	Income	Expenditure	Net gains on investments	Transfers In	Balance at 31 March 2024
	£000's	£000's	£000's	£000's	£000's	£000's
Unrestricted Funds	3,105	11,984	(11,147)	56	14	4,012

  

<b>2023</b>	Balance at 1 April 2022	Income	Expenditure	Neg loss on investments	Transfers (out)	Balance at 31 March 2023
	£000's	£000's	£000's	£000's	£000's	£000's
Unrestricted Funds	2,718	9,252	(7,536)	(76)	(1,253)	3,105

## 23. Designated Funds

<b>2024</b>	Balance at 1 April 2023	Income	Expenditure	Transfers In	Balance at 31 March 2024
	£000's	£000's	£000's	£000's	£000's
Fixed Assets	2,357	-	-	(14)	2,343
Investment in Developing Services to Children	1,911	-	(460)	-	1,451
<b>Total Designated Funds</b>	<b>4,268</b>	<b>-</b>	<b>(460)</b>	<b>(14)</b>	<b>3,794</b>

  

<b>2023</b>	Balance at 1 April 2022	Income	Expenditure	Transfers In	Balance at 31 March 2023
	£000's	£000's	£000's	£000's	£000's
Fixed Assets	1,507	-	-	850	2,357
Investment in Developing Services to Children	2,445	-	(430)	(104)	1,911
<b>Total Designated Funds</b>	<b>3,952</b>	<b>-</b>	<b>(430)</b>	<b>746</b>	<b>4,268</b>

The Fixed Assets designated reserve comprises £2,343,000 to cover the book value of fixed assets: buildings, fixtures, vehicles, office equipment and information technology used by the charity in its work. The transfer to general funds represents the net movement of fixed assets, arising from additions, disposals and depreciation charges. This year the Board has designated funds to carry out major projects across the charity in line with our strategic ambitions and goals.

## 24. Revaluation Reserve

<b>2024</b>	Balance at 1 April 2023	Gains on investments	Transfers In / (out)	Balance at 31 March 2024
	£000's	£000's	£000's	£000's
Revaluation	104	183	(56)	231

  

<b>2023</b>	Balance at 1 April 2022	Losses on investments	Transfers (out)	Balance at 31 March 2023
	£000's	£000's	£000's	£000's
Revaluation	368	(188)	(76)	104

The revaluation fund represents the unrealised gains/losses on the investment portfolio. Whilst classed as unrestricted funds they are not capable of being deployed unless realised.

## 25. Operating Leases

Future minimum lease payments on non-cancellable operating leases are payable as follows:

	<b>2024</b>	<b>2023</b>
	<b>£000's</b>	<b>£000's</b>
Not later than one year	66	66
Within two to five years	55	91
Later than five years	-	-
	<b>121</b>	<b>157</b>

Leases relate to land and buildings, and to the leasing of photocopiers.

Operating lease expenditure charged in the year was £197,000 (2023: £139,000)

## 26. Net Debt Reconciliation

2024	Balance at 1 April 2023	Cash flows	Balance at 31 March 2024
	£000's	£000's	£000's
Cash at bank and in hand	4,213	(2,817)	1,396
Fixed term deposits	-	765	765
	<b>4,213</b>	<b>2,052</b>	<b>2,161</b>

  

2023	Balance at 1 April 2022	Cash flows	Balance at 31 March 2023
	£000's	£000's	£000's
Cash at bank and in hand	5,770	(1,557)	4,213

## 27. Legacies

	<b>2024</b>	<b>2023</b>
	<b>£000's</b>	<b>£000's</b>
Legacies receivable in year	2,407	1,035

In 2024, legacies were receivable from 45 legators (2023: 42)

Over recent years, income from bequests from supporters and sympathisers, or through money in trust for the benefit of the Charity, has been and continues to be significant. In the absence of directions to the contrary, legacies are used for the maintenance of the Charity's work generally throughout Scotland.

## 28. Subsequent Events

There were no subsequent events.