



Capability Scotland

Trustees Report and Accounts 2020

Capability Scotland

Company Number SC036524

Scottish Charity Number SC011330

Reference and Administrative Information

Charity number SC011330

Company number SC036524

Registered Office Berkeley House, 285 Bath Street, Glasgow, G2 4JL

Company Secretary Mr. A Philip, Director of Finance & Resources

External Auditors MHA Henderson Loggie, 11 Thistle Street, Edinburgh EH2 1DF

Internal Auditors Wylie Bissett, 168 Bath Street, Glasgow G2 4TP

Bankers The Royal Bank of Scotland, 36 St Andrew Square, Edinburgh, EH2 2YB

Solicitors Morton Fraser LLP Solicitors, 2 Lister Square, Edinburgh, EH3 9GL
Brodie, LLP Solicitors, 2 Blythswood Square, Glasgow, G2 4AD
Turcan Connell, Princes Exchange, 1 Earl Grey Street, Edinburgh, EH3 9EE

Committee Members and Officials

Patron His Royal Highness the Duke of Edinburgh KG KT GBE

President The Rt Hon. Lord Hardie QC

Honorary Life Members

Mr. G D Holmes CB FRSE FICFor

Mr. J Sinclair

Board of Trustees

Chair Professor A Cameron CBE

Dr J Elder-Woodward OBE

Professor A Waller OBE

Mr. M McCarron

Mr. C Johnston

Mr. C Gilmour

Mr. M Payton

Ms. E Davie (resigned 27 September 2019)

For the purposes of the Companies Act 2006, the Trustees of the charity are the directors of the company.

Capability Scotland

Trustees Annual Report incorporating the Strategic Report for the year ended 31 March 2020

The Trustees present their Annual Report incorporating the Strategic Report and audited financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with Capability Scotland's memorandum of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations and Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities.

Structure, Governance and Management

Capability Scotland is a company limited by guarantee (SC036524) and a registered charity in Scotland (SC011330). The management of Capability Scotland is the responsibility of a Board of Trustees, under the terms of the Memorandum and Articles of Association dated 5 June 1961 and altered by special resolutions passed on 8 October 1997, 11 October 2006, 8 October 2008 and 7 December 2017.

The membership of Capability Scotland shall not exceed 300 and the power to admit new members is exercisable only by the Board of Trustees. Members are required to contribute an amount not exceeding £1 in the event of the charity winding up.

Trustees are invited on to the Board from people who have relevant experience and expertise, and a commitment to furthering the aims and objectives of Capability Scotland. The Board consists of not less than five members, with a requirement for one third of its membership to retire from office each year but eligible for reappointment at the Annual General Meeting. An induction programme of information meetings with senior staff and visits to services is arranged for each new Trustee, and internal training events are arranged for all Trustees on strategic themes such as governance, safeguarding and financial awareness.

The Board is responsible for strategic direction and policy, and normally meets four times in each calendar year. There are subsidiary committees covering Finance and Audit and Service Quality that also meet four times per year, and a Remuneration and Nominations Committee that meets as required.

Day-to-day management is delegated to the Chief Executive and senior managers responsible for Adult Services & Business Development, Children's Services and Finance & Resources.

Strategic Plan 2018-2023

The development of Capability Scotland's Strategic Plan 2018-2023 takes place against a backdrop of unprecedented challenge for third sector organisations and an external environment that has seen the continuation of the austerity agenda to the detriment of social

care in Scotland. The plan sets the course of Capability Scotland's practice and direction from 2018 to 2023 to deliver our mission.

Capability Scotland will meet the individual needs of customers by delivering exemplary care, support and education. By empowering every customer, we will enable them to have a voice, realise their ambitions and achieve their full potential.

Our Mission Statement

We will work with people with complex and diverse needs, building on our extensive experience to create personalised care, support and education that reflects our values.

We will deliver care, support and education that provides choice and progression across all age groups and will support individuals to achieve their outcomes.

We will continue to develop innovative, high quality solutions to address gaps in care and support provision.

We will empower:

- Children and young people to achieve their true potential through education;
- Every customer to have a voice, realise their ambitions and achieve their full potential;
- Our staff by strengthening our focus on safeguarding and values, and by embedding learning and development in the workplace.

Our Strategic Objectives

The Trustees identified the following objectives for our Strategic Plan 2018-2023, and these continue to be our focus:

- To provide exemplary care, support and education with lifelong progress and continuous improvement.
- To be ambitious for our customers and staff and be responsive to their needs.
- To demonstrate and evidence the achievement of outcomes.
- To empower our customers to have a voice.
- To ensure long-term sustainability by maximising income and delivering efficiencies.

To achieve our aims and objectives we provide care, support and education to disabled children, young people and adults with the most complex needs through the provision of day and residential schools, residential care, housing support services, care in people's own homes and a range of creative and exciting day opportunities in the community and in buildings.

We promote independence and quality of life for disabled people throughout their lives through the application of our specialist knowledge and the delivery of our broad range of flexible services. We also campaign with disabled people on common areas of concern.

To enable us to continue to achieve these objectives and activities, and add value to the services we deliver, we undertake voluntary fundraising activities and during 2019/20 operated a small chain of charity shops, which have all since closed following a strategic review of their operations.

The Trustees continue to receive information and feedback throughout the year to scrutinise performance and measure success in meeting Capability Scotland's aims and objectives. This includes detailed reports and risk assessments, service quality indicators, customer feedback, external feedback including Care Inspectorate reports and financial monitoring reports. The reports are scrutinised by the Board and its sub-committees (Finance and Audit, Service Quality and Remuneration and Nominations) with matters referred to the respective sub-committees, as required, for additional oversight, monitoring and action.

The Trustees receive feedback directly from those we support through our Customer Advisory Group. Its work with the Board, putting forward and responding to issues that affect the wider customer group, provides the Trustees with invaluable insight into the impact our services have on the people we support. The Have Your Say Group, a representative body of those who use our services, provides a mechanism to ensure that the Trustees and senior management hear the voice of our customers and that we hear this first-hand. Both Groups fed directly into the review of the organisational strategy and their comments and suggestions have been instrumental in informing the future strategic direction.

The Trustees acknowledge the amount and speed of change that the organisation faces on an ongoing basis. However, they are committed to continue to drive forward with the need to modernise and develop our services despite the challenging financial and regulatory environment in which we operate.

The Trustees recognise the contribution made by our dedicated volunteers. We acknowledge the tremendous amount of time and expertise that volunteers make to raising funds through their participation in events and other activities and to all those who support our shops and services.

Brian Logan was appointed as Chief Executive in July 2019, to lead on the development and delivery of the organisational strategy and take Capability Scotland into the next phase of its transformation journey, modernising and developing its provision to ensure it meets the needs and expectations of customers in the 21st century. Dana O'Dwyer retired from the role of Chief Executive in April 2019 after seven years in the role.

Review of Achievements and Performance during 2019/20

During 2019/2020, confirmation of funding for existing services has been encouraging although it has been clear that the financial environment remains challenging. The last year has been one of significant challenges and change, with continued financial pressures, new regulation and legislation as well as the Covid19 health crisis from the latter months of 2019/20.

The impact of Covid19 has been felt across all areas of the organisation from March 2020, with significantly reduced day opportunity and community-based services. Additional controls were in place across our residential services, with additional personal protective equipment sourced to further strengthen our health and safety arrangements. Our offices were closed in March 2020 with staff successfully working from home since then.

We have welcomed the reassurance from our local authority partners regarding continued funding for our services throughout the Covid19 crisis and into 2020/21, although we remain alert to potential gaps in Independent Living Fund and personal/private contributions linked to Self-Directed Support.

We have introduced controls to monitor actual service delivery in comparison to normal operations, and our Executive Team and senior managers have met daily by videoconference to manage the evolving situation. The commitment and professionalism of our staff right across the organisation has shone through and the Trustees are grateful for all their efforts under unprecedented circumstances. Covid19 has been an additional challenge at the end of the financial year, and one that is expected to continue well into 2020/21.

Our Operational Plan has been updated to reflect these challenges. It underpins the Strategic Plan 2018-2023 to ensure Capability Scotland is best placed to respond to changes in the external environment. The Operational Plan is monitored regularly by the Executive Team with updates submitted to the Board twice per year. The achievement of our strategic objectives will be through development, delivery, outcomes and empowerment.

Development

The number of children, young people, and adults supported through our services and projects was broadly in line with the previous year. We support a core group of children, young people and adults through our direct service provision. This can vary from a few hours of support each week from a community enablement service through to being resident at one of our residential care homes or 'living-in' at Stanmore House School.

Within our services, no two support packages are the same, and this is increasingly the case as we respond flexibly to people's individual needs and outcomes, and self-directed support expectations and requirements. Our models of care are designed to ensure that they are able to provide flexible and responsive care, support and education based on individual needs and aspirations.

Capability Scotland remains flexible in our ability to contract with Local Authorities and Health & Social Care Partnerships (HSCP) through a variety of funding mechanisms. We still have a small number of services that are contracted through historic 'block contract' arrangements, whilst others are dependent on packages of support secured from our placement on Local Authority/ HSCP Frameworks. There is additional complexity as each Local Authority/ HSCP has interpreted self-directed support slightly differently. We are now operating with a multiplicity of funding arrangements across the country, and sometimes even in the same area.

Our Contracts Officer ensures we remain well placed in terms of tendering and framework agreements for new and existing services. We have secured a place on the Dundee Framework for Care and Support Services, Scotland Excel Framework for Adult Care Homes for People with Learning Disability & Autism, City of Edinburgh Council Framework for Support Services, and successfully tendered as a provider for the South Lanarkshire Adult Supported Living service, Perth & Kinross Council Supported Living Service and Renfrewshire Council Care at Home and Housing Service.

Upper Springland remains our largest service provision, and a key priority for Capability Scotland. A long-term sustainable model for Upper Springland continues to be developed, and a feasibility study and surveys of the site were commissioned during 2019 with ongoing development reports submitted to the Board throughout the year.

Throughout 2019/2020, we continued to prioritise the development of our Schools to meet the needs of children and young people with complex additional support needs. Both Stanmore House and Corseford Schools are supported through the Scottish Government's Grant Aided Special Schools (GASS) programme. They continue to provide vital care, support and education and allied health provision in accordance with legislative and policy drivers, principally Curriculum for Excellence. They aim to achieve outcomes for the children and young people in line with the principles of GIRFEC and SHANNARI.

In line with Scottish Government expectations, both Schools have detailed School Improvement Plans in place and are working closely with Education Scotland to ensure that we continue to grow and develop our education provision. A Business Plan for 2020-2023 for our Schools / Education Services has been prepared for the Scottish Government, which will shape the future direction of our education provision and map out our response to the proposed phased withdrawal of the GASS grant from 2024/25.

Corseford School held a very successful Open Day in February 2020 which was well attended and generated significant publicity and interest from several families. The hydrotherapy pool was refurbished during the year and a launch event was held which produced local interest and coverage in local newspapers.

Within our care homes, we experienced a higher than normal number of vacancies during 2019/20 and substantial management time was devoted to addressing this. Vacancies at Upper Springland, Wallace Court, Lanarkshire Houses and Fife Houses all had a negative impact on income due to prolonged under-occupancy and represented a key financial risk to Capability Scotland. By February 2020, all vacancies were filled except one in Lanarkshire Houses and one in Fife Houses; the impact of Covid19 means that these vacancies are likely to remain unfilled until the situation changes.

In 2019, we commissioned external support to help produce a roadmap for our IT systems and infrastructure, recognising that our current IT arrangements needed to be modernised. We tendered for our IT support service in December 2019 and moved to a new support provider from 1 April 2020. The transition to a new provider came at the same time as the effects of Covid19 began to emerge, which made site visits in particular challenging. The new IT contract provides a more robust level of support, which has made the move to home

working during the Covid19 crisis easier to facilitate and manage.

The trading environment facing Capability Scotland shops has been challenging in recent years. Our Business Case for Shops was approved by the Board in December 2018 and concluded that our shops were not financially viable and should cease trading. The shops relied on volunteers to allow them to operate and we recognise the commitment and the contribution made by our volunteers across our retail operations. Our remaining 11 shops had all closed by March 2020.

We appointed a new Communications Officer during the year, who has significantly raised our social media activity and profile across a number of platforms. Our staff newsletter 'In the Loop' is circulated to all staff on a fortnightly basis, providing information on what is happening across Capability Scotland and featuring updates from our Executive Team and Board. We are developing a new Capability Scotland website to promote our work, and this will be launched in 2020.

Delivery

We continue to see an increase in demand for our support services across the country. Whilst we contract directly with nine key Local Authority/ HSCP and have services based in these areas, there are further spot-purchase contracts with another 20 Local Authorities. Both our schools and care homes support children and adults from a wide range of areas and operate as national services.

Safeguarding continues to be at the heart of everything we do, and our Safeguarding Forum meets quarterly to ensure Adult and Child Protection awareness is the focus for service delivery. The implementation of our Values Statement; Equality, Diversity & Human Rights Policy; and Positive Behaviours Framework ensures customers, staff and volunteers of Capability Scotland feel safe and supported at all times.

Our Values Statement continues to be an integral part of our organisation and is embedded within our recruitment, induction and training, policies and procedures, and staff development.

Our delivery of exemplary care, support and education reflects our values of Diversity, Honesty, Choice, Openness, Equality, Respect, Dignity, Caring and Learning. We ensure our people grow and develop by:

- Giving people a 'voice' – encouraging people to communicate;
- Being 'ambitious' for everyone;
- 'Listening' – being approachable and responsive;
- 'Understanding' each other's needs and priorities;
- 'Empowering' one another, enabling each other to achieve ambitions.

We are committed to increasing the Health and Wellbeing of our customers and staff. Work continues on health-related practice development to enable our customers to lead healthier lives and increase our customer experience. Our portfolio of e-learning modules continues

to increase to support staff and raise awareness of key health and wellbeing themes. We have laid the foundations for our People Strategy, which will be launched during 2020, and health and wellbeing will be a key theme in that.

Our Health and Safety policies and procedures are continually reviewed to ensure a safe environment for customers and staff and to meet legislative requirements. The Health and Safety Committee comprised of staff, management and union appointed representatives is how we inform and consult staff about health and safety matters. The Committee has a wide remit to discuss any issue or concern that impact on health and safety and to identify or make recommendations for improvement.

We continue to pay the Scottish Living Wage (SLW) across the organisation and continue to monitor the impact of this on salary differentials for promoted staff. Local authority funding uplifts for our services remains pegged at the SLW increase, and in some cases, the full increase is not passed on to us, which is challenging in terms of affordability. We remain committed to the principles of the Fair Work Framework, which are embedded in our recruitment and induction, learning and development policies and procedures.

The General Data Protection Regulations (GDPR) continue to have a significant impact on how we manage data. The increased safeguards introduced, along with the associated extended rights, help to protect our customers, our staff and those who support us, and we continue to review our current practices and policies to make improvements.

Outcomes

We currently have 24 registered care services and continue to receive very positive external certifications from the Care Inspectorate for those services inspected. Twelve services were inspected during 2019/2020, all of these achieving at least one grade of 5 or more ('very good'), with three receiving at least one grade 6 ('excellent').

Our Upper Springland services that were graded on the 'how good is our setting' criteria received grade 3 (adequate) or grade 2 (weak) assessments. We are committed to doing all we can to make short-term improvements to the setting and the future development of Upper Springland is a key priority for us in the years ahead. Across all other criteria that were assessed, the Upper Springland services received nine grade 5s (very good) and one grade 4 (good).

As part of the Care Inspectorate Inspection Regime, each service requires to have an Improvement and Development Plan in place, and this is considered as part of the inspection. We continue to adopt this Improvement and Development Plan approach to drive forward our internal commitment to the continuous development of quality services that are focused on meeting the needs of our individual customers.

During 2019/2020, we continued with our commitment to the improvement and development of our services. This internal quality agenda saw a significant amount of work during the year including the review of a number of key policies and procedures and embedding our Quality and Improvement Framework.

We were accredited with the European Framework for Quality Management (EFQM) Committed to Excellence (C2E) award, accredited by Quality Scotland. We will undertake the next stage in the EFQM Framework, C2E2, in 2020/21 which covers an assessment across the whole organisation, however this has been delayed due to Covid19.

We continue to invest in digital suites in Glasgow, Dundee, and in our Craigmillar and Riccarton services in Edinburgh with the support of funding from Virgin Media. The funding is for the development of micro-enterprise and employability tools such as digital passports for customers within the organisation.

During the year, Capability Scotland tendered for an internal audit service to provide assurance on the internal controls and systems across the organisation, and to conduct value added reviews to improve our operations. Internal audits covering a review of financial controls at Stanmore House School and the Billing Cycle were conducted by the Internal Auditors in 2019/20 and reported to the Executive Team and Finance and Audit Committee. An audit programme has been developed covering the next three years, and includes planned reviews of systems and controls, Governance, IT/GDPR, procurement and value for money.

Empowerment

The Trustees receive feedback directly from those we support through our Customer Advisory Group. Its work with the Board, putting forward and responding to issues that affect the wider customer group, provides the Trustees with invaluable insight into the impact our services have on the people we support. The Have Your Say Group, a representative body of those who use our services, provides a mechanism to ensure that the Trustees and senior management hear the voice of our customers and that we hear this first-hand. The Chair of the Board and the Chief Executive attend Customer Advisory Group meetings at least twice per year.

We continue to develop innovative ways to increase our customer voice. Our customers continue to be involved in the development of policies and procedures, including the use of easy read formats. Our customers also continue to be involved in external national consultations and events with a range of stakeholders, to inform and improve accessibility on a wide range of topics (including Keep Safe - I Am Me – hate crime campaign, and Scottish Government consultation on accessibility; A Fairer Scotland for Disabled People).

Capability Scotland was successful in achieving the highest level of 'Disability Confident Leader' during 2019/20. This scheme recognises that Capability Scotland has not only taken active leadership in supporting Disabled People in the workplace but that it is also encouraging and helping other employers to do so. This standard requires internal and external validation by the Department of Work and Pensions and was supported by customers from Junction 52.

We continue to support the National Involvement Network, including the Charter for Involvement which shows people who use care services how they can be involved in the services they receive, the organisations that provide services, and in our wider communities.

Investment in staff training and development continues to be a key priority for Capability Scotland. In 2019/20, 87 staff were supported to undertake their Scottish Vocational Qualifications (SVQs) with 28 completing their SVQs within the year. Staff are able to access funded placements through colleges in Fife, Edinburgh, Glasgow, Perth, Borders and West Scotland, rather than delivered at a central location. This allows staff easier access to nationally recognised qualifications whilst improving their care practice. In addition, staff attended 397 training events on a wide variety of diverse subjects reflecting the increasingly complex needs of our customers.

The e-learning platform, LearnPro, is used to deliver online learning on a range of subjects. The uptake for e-learning courses has continued to increase with 9,640 completed courses during 2019/20. New courses have been added to the portfolio offered, and there are now seven mandatory and 18 optional awareness courses. The mandatory courses are Adult Protection, Child Protection, Data Protection, Equality & Diversity, Fire Safety, Health & Safety and Duty of Candour.

Monitoring Achievement

Achievement is monitored by the Board, and its Finance and Audit, and Service Quality sub-committees on a quarterly basis. The Remunerations and Nominations sub-committee meets at least annually. The remit of the Finance and Audit Committee encompasses the monitoring of financial performance including the review of all financial statements and monitoring of compliances and internal controls. The Service Quality Committee's remit includes performance management, quality assurance and statutory compliances. The remit of the Remuneration and Nominations Committee is to review and approve the remuneration for the Executive Team and undertake succession planning and recruitment of Board members.

Financial Review

The Income and Expenditure Account reports net income of £369,489, which compares to net income of £1,058,205 in 2018/19. The net income after actuarial losses on the defined benefit pension scheme is £69,489 (2018/19 £758,205).

The financial environment in which Capability Scotland operates remains challenging, and the organisation continues to adapt to its changing circumstances. The principal sources of funding were grants and contracts with local authorities and the Scottish Government, and we were successful in securing increased income from some Local Authority/ HCSP funders during the year.

During the year, we received £372,879 in respect of final overage payments following the sale of Westerlea, which has had a positive impact on our reported financial position for the year.

Total income for 2019/20 was £23,818,061, which is a reduction of £1,106,673 on the previous year. Income from Charitable Activities (note 2) for the delivery of services to disabled people reduced year on year by £697,170 to £21,761,012. The reduction in income reflects the high level of vacancies across our residential services during the year, which were subsequently filled in the final quarter of the year.

Fundraising income this year was £1,118,621, an increase of £287,046 on 2018/19. Income from legacies significantly increased this year. The costs associated with raising funds reduced by £20,322 over the previous year.

Capability Scotland's Business Case for Shops recommended action to address the financial performance of our charity shops, and the Trustees approved the planned closure of the 11 remaining shops during 2019/20. All shops had ceased trading by 31 March 2020. Shops income for 2019/20 was £363,458, a significant reduction on the previous year which reflects the planned closures over the course of the year. Operating expenditure for the Shops was £845,738 for the year; an increase of £58,322 compared to 2018/19 but reflects the additional costs of restructuring and shop dilapidations.

Total expenditure for 2019/20 was £23,448,572, which is a reduction of £417,957 on the previous year.

The final salary pension scheme valuation under FRS102 rules, which shows a positive position of £6,441,000 (2018/19 £4,701,000), has not been recognised as an asset because the scheme is now closed. The Trustees have plans in place to ensure the full triennial valuation liability is managed while securing members' benefits.

Reserves Policy

The Trustees have considered the requirement for General Reserves that are not designated for specific purposes or otherwise committed. In doing so, they have considered the need for adequate working capital in services and to provide protection against adverse financial circumstances in the future.

Capability Scotland's policy is to hold the sum of net current assets attributable to unrestricted funds (note 11(d)) being equivalent to three months' expenditure. At 31 March 2020, free unrestricted net current assets, expressed as current assets less current liabilities (note 11(d)), totalled £4,441,102, which is 76% of the target amount. This compares to £4,010,162 and 67% in 2018/19.

The Trustees will continue to take action to improve the financial position of the organisation and to build up the free reserves position in line with our stated policy. At 31 March 2020, restricted funds totalled £868,516 (2018/19 £878,464).

At the year-end date, the Trustees undertook a thorough review of funds previously designated and considered areas where funds are required to be designated for future expenditure. The Trustees agreed to retain the level of previously Designated Funds and can confirm that plans are in place to spend all Designated Funds.

Risk Management

The Trustees have reviewed the Register of Risks, looking into specific risk areas and the systems in place to mitigate those risks. Where appropriate, actions and procedures required to strengthen existing systems have been identified and instigated as part of the Register of Risks and progress is monitored by the Executive Team. The Board has received reports and is satisfied that systems are in place to mitigate our exposure to the major risks.

The principal risks relate to the impact of Covid19 on the organisation including service delivery, finances and staffing; continued pressure on available public funds and the effect that this is having on our ability to continue to deliver high quality individualised services; and the safeguarding of vulnerable beneficiaries, staff and volunteers. The risks are mitigated through continued dialogue and negotiation with Local Authorities/ HSCP and by ensuring our policies and procedures, recruitment, training and supervision provide best practice safeguards for staff and customers.

Equal Opportunities

Our Equality and Diversity policy recognises the importance of taking a positive approach to equality and diversity and ensures that no job applicant or employee (on a paid or voluntary basis) receives less favourable treatment than others on the grounds of disability, HIV status, race, nationality, religion, gender, age, marital status, sexuality or responsibility for dependents. This covers recruitment, training, career development and promotion.

We will:

- Ensure that all customers, pupils, staff and volunteers can access the same opportunities regardless of their lifestyle, ability or background;
- Ensure that everyone is able to use the same facilities, take part in the same activities and enjoy the same experiences as everyone else;
- Treat everyone with dignity and respect, in line with our Values;
- Respect diversity in all its forms, including an individual's beliefs, values, culture and lifestyle;
- Empower people to access their rights to improve their lives, with Human Rights being relevant to everyday situations and decisions;
- Work with specialist organisations to help us develop and meet the needs of our customers and staff in relation to any of the Equality Act 2010 protected characteristics.

We ensure that all employees have equal access to the same opportunities. We further demonstrate this through our commitment to the Disability Confident Standard, which is the successor to the Positive About Disability scheme.

In March 2020, we published our Gender Pay Gap figures in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Our Gender Pay gap figures show an average gap of 3.26% (2019 4.1%).

Staff Information and Involvement

Staff involvement is key at Capability Scotland. We have mechanisms in place to ensure staff and their representatives have opportunities to contribute when key decisions are being discussed. This has included a Recognition and Procedural Agreement with our five trade union partners (Unison, Unite, Royal College of Nurses, Educational Institute of Scotland and the Chartered Society of Physiotherapists). This Agreement ensures regular communication with our Executive Team to discuss organisational matters.

As part of this agreement, we have created individual negotiating forums with the respective unions that allow focused discussions on the matters that impact upon the different staffing groups. This increased dialogue will help to improve communication and feedback between management, representatives and staff.

Key Management Personnel Remuneration

The Remuneration and Nominations Committee, a sub-committee of the Board, is responsible for setting pay and remuneration for key management personnel. Capability Scotland's Executive Team comprises the Chief Executive, Director of Adult Services & Business Development, Director of Children's Services and Director of Finance & Resources

The Chief Executive is appointed by the Board to manage the day-to-day operation of the charity. To facilitate effective operation, the Chief Executive has delegated authority, as approved by the Board, for all operational matters.

Chief Executive

Brian Logan (appointed 8 July 2019)

Dana O'Dwyer (resigned 30 April 2019)

Director of Finance and Resources

Andrew Philip

Director of Adult Services and Business Development

Callum MacGregor (appointed on an interim basis 15 April 2019; appointed on a permanent basis 1 April 2020)

Director of Children's Services

Euan Alexander (appointed 1 April 2020)

Plans for the Future

2019/2020 has been a challenging year in terms of the continued financial environment, but the achievements during the year to strengthen, develop and modernise our policies, procedures and practice provides a strong foundation for the future.

Our future plans include:

- Explore business opportunities in areas of high population and low provision, and redevelop existing services to meet changing priorities;
- Improve existing models of high intensity care, support and education provision and develop a range of new models to meet individual needs that embrace transition and the ability for progression and lifelong learning;
- Develop long-term plans for Upper Springland, Corseford School and Stanmore House School and support this using best practice and benchmarking;
- Migrate our IT systems to Microsoft 365 and review opportunities to utilise technology more effectively across Capability Scotland, implementing IT solutions to support our business processes;
- Develop a People Strategy incorporating health and wellbeing and building on the outcome on Investors in People accreditation;
- Develop a five-year Funding Plan to underpin the delivery of the Strategic Plan.

We will continue to manage the impact of Covid19 on our services, ensuring the health and safety of our staff, learners and customers is paramount. The financial consequences of Covid19 will continue to be assessed, monitored and reported to our Trustees and we will work in partnership with our funders where service delivery changes.

The challenging financial climate nationally and locally will have an impact on deliverables, as organisations are required to do 'more for less' meeting customer aspirations with reducing financial support. Capability Scotland's ability to respond is limited by the real cost of providing high quality care, support and education with significant financial pressures and recruitment challenges facing the Third Sector in Scotland.

The Scottish Government has advised an intent to 'move to strategic commissioning of services for children with complex additional support needs' in 2020/21 and this will impact on our two Grant Aided Special Schools (GASS), Corseford and Stanmore House. We have submitted a business case to the Scottish Government for the proposed phased withdrawal of the GASS grant from 2024/25 and we continue to work closely with the Scottish Government on the impact this will have on our service provision.

The Board approved the opportunity for us to acquire three services from a small charity, Compass, based in Dumfries, following due diligence and with effect from 1 April 2020. As part of the arrangement, we transferred across the legal entity for managing the Self-Directed Support brokerage service, Compass SDS Broker Ltd. It is anticipated that this will be dissolved as quickly as is practicable with the SDS Service being fully absorbed into Capability Scotland's operations.

We are an inclusive organisation with good communication at the heart. We will develop a Communications Strategy to create awareness and encourage engagement in all aspects of our work. Our Customer Advisory Group and Have Your Say Group continue to ensure our customers have a voice in the work of Capability Scotland.

We have started planning for our first-ever staff conference, bringing together as many staff as possible to meet, share best practice, be informed and have some fun with the purpose of motivating and connecting various disparate parts of the organisation and celebrating all the good things that we do. Due to Covid19 we have postponed this event from October 2020 to Spring 2021, when we will combine this with events to mark our 75th anniversary.

Statement of Trustees' Responsibilities

Law applicable to incorporated charities in Scotland requires the Board to prepare a Trustees' Report and Accounts for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of its financial activities, including its income and expenditure during the year then ended. In preparing those financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

In determining how amounts are presented within items in the statement of financial activities and balance sheet, the Trustees must have regard to the substance of the reported transactions or arrangement, in accordance with generally accepted accounting principles or practice.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

At the time of approving this report, the Trustees are aware of no relevant audit information of which the company's auditors are unaware and have taken all steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees Annual Report is signed by the Chair on behalf of the Board of Trustees. The Trustees also approve the Strategic Report, which is contained within the Trustees Annual Report, in their capacity as company directors.



By order of the Board
Professor A Cameron CBE
Chair

25 June 2020

Independent auditors' report to the members and trustees of Capability Scotland

Opinion

We have audited the financial statements of Capability Scotland (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 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 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis of 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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a year of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 our audit:

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees either

intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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

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



James Davidson (Senior Statutory Auditor)
For and on behalf of MHA Henderson Loggie
Chartered Accountants
Statutory Auditor
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

11-15 Thistle Street
Edinburgh
EH2 1DF

1 October 2020
MHA Henderson Loggie is a trading name of Henderson Loggie LLP

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2020

		2020			2019
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
Income From:					
Donations and Legacies	5	938,810	179,811	1,118,621	831,575
Charitable Activities	2	14,124,735	7,636,277	21,761,012	22,458,182
<i>Other Trading Activities:</i>					
Commercial Trading Operations		363,458	-	363,458	739,222
Investments	4	35,022	-	35,022	22,701
Other activities - rental and other income		156,353	-	156,353	158,807
Gain on Property Disposals		383,595	-	383,595	714,247
Total		16,001,973	7,816,088	23,818,061	24,924,734
Expenditure On:					
Raising Funds	3	136,925	-	136,925	157,247
Commercial Trading Operations	3	845,738	-	845,738	787,416
Charitable Activities	3	14,731,937	7,733,972	22,465,909	22,921,866
Total		15,714,600	7,733,972	23,448,572	23,866,529
Net Income/(Expenditure)		287,373	82,116	369,489	1,058,205
Transfers between funds	11	92,064	(92,064)	-	-
		379,437	(9,948)	369,489	1,058,205
Other recognised gains/(losses)					
Actuarial (losses) on defined benefit pension scheme	3	(300,000)	-	(300,000)	(300,000)
Net Movement in Funds		79,437	(9,948)	69,489	758,205
Reconciliation of Funds:					
Funds brought forward at 1 Apr 2019		12,495,223	878,464	13,373,687	12,615,482
Funds carried forward at 31 March 2020		12,574,660	868,516	13,443,176	13,373,687

All of the above are derived from continuing activities. The analysis between restricted and unrestricted funds for 2020 is detailed in note 16. The notes on pages 24 to 46 form part of the Accounts.

Balance Sheet

As at 31 March 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	6		8,167,814		8,555,717
CURRENT ASSETS					
Stock	8		-	56,318	
Debtors	7	4,041,032		2,718,502	
Cash at bank and in hand		3,874,583		4,574,412	
		7,915,615		7,349,232	
Creditors: amounts falling due within one year	9	(2,605,997)		(2,460,606)	
NET CURRENT ASSETS			5,309,618		4,888,626
TOTAL ASSETS less CURRENT LIABILITIES			13,477,432		13,444,343
Liabilities:					
Creditors: amounts falling due after more than one year	10		(34,256)		(70,656)
TOTAL NET ASSETS			13,443,176		13,373,687
FUNDS OF THE CHARITY					
Unrestricted Funds	11		12,574,660		12,495,223
Restricted Funds	11		868,516		878,464
TOTAL FUNDS			13,443,176		13,373,687

The Accounts were approved by the Board on 25 June 2020 and signed on their behalf by:



Professor A Cameron CBE
Chair

The Auditor's report to the Trustees and Members of Capability Scotland is on pages 18-20.

The notes on pages 24 to 46 form part of the Accounts.

Company Number SC036524

Statement of Cash Flows

For the year ended 31 March 2020

	Notes	<u>2020</u> £	<u>2019</u> £
Cash flows from operating activities	12	(948,613)	1,036,622
Net cash provided by (used in) operating activities			
flows from investing activities:			
Dividends, interest and rents from investments		191,375	181,508
Proceeds from the sale of property, plant and equipment		400,722	762,077
Purchase of property, plant and equipment		(253,095)	(133,910)
Net cash provided by (used in) investing activities		339,002	809,675
Cash flows from financing activities:			
Hire purchase interest paid		(10,389)	(18,813)
Repayments of borrowings		(79,829)	(166,895)
Cash inflows from new borrowing		-	80,332
Net cash provided by (used in) financing activities		(90,218)	(105,376)
Change in cash and cash equivalents in the reporting period		(699,829)	1,740,921
Cash and cash equivalents at the beginning of the reporting period		4,574,412	2,833,491
Cash and cash equivalents at the end of the reporting period		3,874,583	4,574,412

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

ACCOUNTING POLICIES

Status of the Company

Capability Scotland is a company limited by guarantee registered in Scotland with the registered number and address as listed at page 2. Each member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the company being wound up.

Basis of accounting

The financial statements have been prepared to fully comply with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The accounts have been prepared under the historical cost basis of accounting modified to include investments at market value, the revaluation of certain land and buildings, and in accordance with applicable accounting standards.

Capability Scotland meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity rounded to the nearest £.

Going concern

The charity's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Trustees' Annual Report.

As detailed in the Trustees report, Capability Scotland has responded to changes in funding and continues to monitor the position carefully to ensure it has adequate financial resources to be placed to manage its business risks sufficiently despite the current uncertain economic outlook as a result of the COVID-19 pandemic.

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and consider that the going concern basis of accounting in preparing the financial statements is appropriate.

Funds

Funds are classified as either Restricted funds or Unrestricted funds, defined as follows:

Restricted funds are funds subject to specific trusts, which may be declared by the donor or with their authority (e.g. by the restrictive wording of an appeal). Some are restricted income funds expendable at the discretion of the Board in furtherance of a particular activity, such as

central and local government grants and fees for a specific school or service, and funds raised for particular client groups or activities.

Unrestricted funds are expendable at the discretion of the Board in furtherance of the objects of Capability Scotland. If part of the unrestricted funds is earmarked at the discretion of the Board for a particular project, it is designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Board's discretion to apply the fund.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Legacies

A legacy is regarded as receivable if it is clear that at the accounting date it is probable it will be received, and the administrators of the estate have indicated the level of payment to be made.

Grants and fees receivable from statutory sources

Grants and fees receivable include Scottish Government grants and receipts under other funding arrangements from central and local government and their agencies which are of a revenue nature. This includes income recognised as earned (as the related services are provided) under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Where grants and fees have been received but are in relation to services not yet provided, or the grant conditions state that the funding relates to a future period, the income is deferred and included in Other Creditors and Provisions.

Donated Services and Gifts in Kind

Donated services and facilities are included at the value to the charity where this can be quantified which is the value the charity would have paid on the open market. No amounts are included in the financial statements for services donated by volunteers.

Gifts in kind including donated goods for resale are recognised at fair value in the financial statements when received. Donated goods sold under the Gift Aid scheme earn a commission of 1%, which is recognised when goods are sold.

Stock

Stock represents donated goods for sale in our charity shops. Stock is valued at its net realisable value and has been recognised as income in the financial statements.

Local associations

Local associations affiliated to Capability Scotland are autonomous bodies. Any income received from local associations is included in incoming resources from donations and gifts.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Costs to Raise Funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Governance costs are the costs associated with the governance arrangements of the Charity, which relate to the general running of the Charity as opposed to those costs associated with fundraising or charitable activity.

Support costs, which include Corporate functions such as general management, payroll administration, budgeting and accounting, information technology and human resources are allocated across the categories of charitable expenditure, governance costs and the costs of generating funds.

The basis of the cost allocation has been explained in note 3 to the accounts.

Irrecoverable VAT is charged as a cost to the Statement of Financial Activities.

Redundancy and termination payments are recognised in the financial statements when there is a legal or constructive obligation and it is probable that a payment will be made.

Debtors

Trade and other debtors are recognised at the settlement amount due. A suitable provision is made should any amounts become doubtful. Prepayments are valued at the amount prepaid net of any known deductions that are available.

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are recognised at their full settlement amount.

Leases

Assets acquired under finance leases or hire purchase contracts are capitalised and the outstanding future lease obligations net of finance charges held as a liability within creditors. The finance and operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

Fixed assets and depreciation

Purchases of fixed assets over £1,000 are capitalised. Fixed assets are included in the Balance Sheet at cost, or valuation in certain cases.

Certain properties are held under an operating finance lease to earn rental income. Investment properties are accounted for as follows:

1. Investment properties are initially recognised at cost, which includes purchase cost and any directly attributable expenditure.
2. Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account.

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

- Leasehold improvements - Equal instalments up to the end of the period over which funding for the improvements will be received
- Other Buildings (incl. Long Leasehold properties) - 50 years
- Improvements to buildings - equal instalments over the remaining life of the original asset
- Plant and machinery - 5 years
- Furniture and fittings - 5 - 20 years
- Vans and minibuses - 6 years
- Motor cars - 4 years

Buildings purchased or improved using unrestricted funds

In certain cases, where a building has been built or improved using unrestricted funds in hand at the time (i.e. there is no intention to recover the cost subsequently through its use) the Board creates a designated fund reflecting the book value of the asset, which is then reduced over the useful economic life of the asset in line with its depreciation.

Dilapidations

Where leases require the reinstatement of buildings in line with a surveyor's report, the cost of dilapidations are recognised in the financial statements when they can be reasonably estimated.

Financial instruments

The charity only has financial assets and 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.

Exceptional items

Items are treated as exceptional items whereby virtue of their size or nature they need to be disclosed separately in order to give a true and fair view.

Defined benefit pension scheme

The charity operates a defined benefit pension scheme, which is closed to new members and to future accrual. The assets for the scheme are held separately from those of the charity.

Pension scheme assets and liabilities are measured by a qualified actuary using the assumptions set out in note 14. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full on the Balance Sheet. The movement in the surplus/deficit is split between other income and actuarial gains/losses on the Statement of Financial Activities.

Employee benefits

The charity contributes to a group personal pension scheme on behalf of certain employees. The assets of this scheme are held separately from those of the charity. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Other short-term employee benefits are recognised in the period as an expense in the period in which they relate.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Trustees have made the following judgements:

- Determine whether leases entered into by the charity as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, considering factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether that are indicators of Impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

Capability Scotland's key sources of estimation uncertainty are as follows:

The value of the deficit in the defined benefit pension fund is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of the liabilities, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future pension increases are based on expected future inflation rates.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

1 STAFF NUMBERS AND COSTS

a) The aggregate remuneration and associated costs of Capability Scotland's employees were:

	2020 £	2019 £
Wages and salaries	15,099,871	15,485,865
Redundancy payments	184,107	132,615
Social Security costs	1,167,821	1,235,755
Pensions costs - defined benefits	300,000	300,000
Pensions costs - defined contributions	565,379	513,117
Pension Adjustment - defined contributions	(300,000)	(300,000)
Agency Fees	1,152,413	986,356
	<u>18,169,591</u>	<u>18,353,708</u>
Benefits in kind (as defined for personal taxation purposes)	-	-
	<u>18,169,591</u>	<u>18,353,708</u>
	Number	Number
The average number of employees of Capability Scotland during the year was:	<u>863</u>	<u>898</u>

The above costs include Redundancy Costs of £184,107 (2019 £132,615) payable to staff at termination of employment. While Capability Scotland takes every step to avoid redundancy the nature of our funding makes such decisions necessary. Redundancy costs are recognised when known.

The remuneration and benefits paid to key management personnel is £341,188 for the year (2019 £343,254). In addition, pension contributions of £26,561 (2019 £43,364) were paid to a defined contributions pension scheme. Employees receiving salaries, plus benefits in kind, of more than £60,000 were in the bands £60,001 - £70,000 2 (2019 0); £70,001-£80,000 2 (2019 1); £180,001 - £190,000 0 (2019 1).

External Agencies are used to provide staff in Services where vacancies are not filled and, in some circumstances to cover for staff absences, to ensure continued service delivery.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

1 STAFF NUMBERS AND COSTS (continued)

b) Trustees' Remuneration and Related Parties

No Trustees received remuneration in the year. Expenses of £149 (2019 £136) were paid to Trustees in the year in respect of Travel Expenses. Trustee indemnity insurance is provided as part of the overall insurance policy for the organisation.

c) Defined Contributions Pension Scheme

The contributions payable to the defined contribution pension schemes at the year-end was £40,256 (2019 £71,664).

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

2 NET INCOME

a) Net Income is stated after charging:	2020	2019
	£	£
Auditor's remuneration - audit	26,000	25,000
- audit of Pension Scheme	3,412	3,345
- other	2,265	1,430
Depreciation of tangible fixed assets (note 6)	623,871	652,667
Rental charges under operating leases	819,427	683,480
Rental Income under operating leases	156,353	135,691
Hire purchase interest	10,389	18,813

The surplus is stated after charging:

Gain on sale of tangible fixed assets	383,595	725,146
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b) Income for Charitable Activities by funding source is made up as follows:

Local Authorities	18,088,447	18,416,944
Scottish Government	3,016,656	3,116,664
Employment Programmes	52,554	261,837
Benefits Agency	449,148	459,747
Department of Transport	22,596	28,767
Other	131,611	174,223
Total	21,761,012	22,458,182

Scottish Government income above relates to grants for supporting children and young people with additional support needs £2,863,521 (2019 £3,116,664).

c) Income for Charitable Activities is made up as follows:	2020	2019
	£	£
Schools	5,260,090	5,483,163
Other Children's Services	241,939	252,779
Adult Day Services	2,715,722	2,984,433
Adult Residential Services	9,156,341	9,019,985
Community Living Services	4,313,606	4,286,228
Employment Services	52,554	261,837
Other Services and Activities	20,760	169,757
	21,761,012	22,458,182

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

3 EXPENDITURE

	Direct activities £	Support costs £	2020 Total £	2019 Total £
a) Expenditure:				
Raising funds	102,114	34,811	136,925	157,247
Commercial Trading Operations	802,837	42,901	845,738	787,416
Charitable Activities				
Schools	4,630,269	307,083	4,937,352	5,061,935
Other Children's Services	106,175	7,178	113,353	88,840
Adult Day Services	2,754,211	117,572	2,871,783	3,308,340
Adult Residential Services	8,809,725	589,774	9,399,499	9,035,154
Community Living Services	4,530,818	304,297	4,835,115	4,931,651
Employment Services	4,922	-	4,922	360,815
Other Services	562,271	27,554	589,825	423,792
Campaigning, Policy, Information and Influencing	14,060	-	14,060	11,339
Pension Adjustment	(300,000)	-	(300,000)	(300,000)
Total Charitable activities	<u>21,112,451</u>	<u>1,353,458</u>	<u>22,465,909</u>	<u>22,921,866</u>
Total per the Statement of Financial Activities	<u>22,017,402</u>	<u>1,431,170</u>	<u>23,448,572</u>	<u>23,866,529</u>

b) Raising funds

Capability Scotland employs dedicated staff, supported by volunteers, to undertake fundraising activities to generate donations and legacies. Activities include arranging events or supporting events arranged by other bodies on behalf of the charity, submitting funding applications to trusts and corporate bodies and representing the organisation when meeting with such bodies and maintaining our database of committed givers. Our fundraisers also manage our legacy initiatives, direct mailing campaigns and collection boxes.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

3 EXPENDITURE (continued)

c) Commercial Trading Activities

Capability Scotland began the year with 11 shops, and following a strategic review of their operation, made the decision to close all shops during 2019/20 and cease trading. All shops had closed by 31 March 2020.

Commercial Trading Activities:	2020	2019
	£	£
Operating expenditure from trading activities	686,238	742,416
Dilapidations and external repairs expenditure	159,500	45,000
	<u>845,738</u>	<u>787,416</u>

d) Support Costs

Support Costs of £1,431,3171 (2019 £1,581,383) are included in Note 3a) above. Support Costs relate to Corporate functions including general management, finance, payroll administration, human resources and information technology. Support costs have been allocated to expenditure on Raising Funds and Campaigning, Policy, Information and Influencing on an estimated usage basis. Support Costs allocated to Operations is on the same basis as direct expenditure incurred in undertaking an activity. Governance costs of £62,109 (2019 £63,083) have been included in Support Costs.

4 INVESTMENT INCOME	2020	2019
	£	£
Bank and other Interest	<u>35,022</u>	<u>22,701</u>

5 DONATIONS AND LEGACIES	2020	2019
	£	£
Donations Received	420,626	343,574
Legacies	697,995	488,001
	<u>1,118,621</u>	<u>831,575</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

6 FIXED ASSETS

a) Tangible Assets	Land & Buildings	Improvements to Short Leaseholds	Motor Vehicles	Furniture, Fittings & Equipment	Total
Cost or Valuation	£	£	£	£	£
At beginning of year	9,097,276	664,574	715,521	3,699,522	14,176,893
Additions	-	-	67,691	185,404	253,095
Disposals	-	-	(152,865)	(349,539)	(502,404)
At end of year	<u>9,097,276</u>	<u>664,574</u>	<u>630,347</u>	<u>3,535,387</u>	13,927,584
Depreciation					
At beginning of year	3,027,635	275,381	532,905	1,785,255	5,621,176
Provided for the year	166,329	57,149	62,058	338,335	623,871
On disposals	-	-	(135,739)	(349,538)	(485,277)
At end of year	<u>3,193,964</u>	<u>332,530</u>	<u>459,224</u>	<u>1,774,052</u>	5,759,770
Net book value					
At 31 March 2020	<u>5,903,312</u>	<u>332,044</u>	<u>171,123</u>	<u>1,761,335</u>	8,167,814
At 1 April 2019	<u>6,069,641</u>	<u>389,193</u>	<u>182,616</u>	<u>1,914,267</u>	8,555,717

Capability Scotland has granted to the Trustees of the Capability Scotland Pension Scheme as security, the Upper Springland site which is included in Land & Buildings above.

The carrying amount of land & buildings comprises:	2020	2019
	£	£
Investment property at fair value:		
Long leaseholds	775,000	775,000
Other properties at cost:		
Long leaseholds	368,726	376,733
Freeholds	4,759,586	4,917,908
	<u>5,903,312</u>	<u>6,069,641</u>

The investment property was purchased in the year to 31 March 2017 and the Trustees are of the view that the purchase price is still reflective of the fair value.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

6 FIXED ASSETS (continued)

b) Contingent Liability

In certain circumstances, grants received for refurbishment works on School buildings may become repayable. The total of such grants is £277,306 (2019 £277,306).

c) Assets held under hire purchase contracts

The net book value of assets includes amounts of £142,970 (2019 £218,531) in respect of assets held under hire purchase contracts. The depreciation charge for the year on these assets was £88,118 (2019 £103,896).

7 DEBTORS	2020	2019
	£	£
Fees and grants due	2,892,856	2,142,463
Other debtors	16,320	8,583
Prepayments and accrued income	1,131,856	567,456
	<u>4,041,032</u>	<u>2,718,502</u>
8 STOCK	2020	2019
	£	£
Stock of donated goods for resale	-	56,318
	<u>-</u>	<u>56,318</u>
9 LIABILITIES	2020	2019
	£	£
a) Creditors: amounts falling due within one year		
Trade creditors	448,107	611,360
Social Security costs and other taxes	284,652	294,346
Accruals and deferred income	621,610	208,112
Other creditors and provisions	1,206,737	1,258,467
	<u>2,561,106</u>	<u>2,372,285</u>
Hire purchase instalments	44,891	88,321
	<u>2,605,997</u>	<u>2,460,606</u>
b) Deferred Income		£
Balance as at 1 April 2019		54,289
Amounts released to income earned from charitable activities		(44,361)
Amount deferred in year		185,759
Balance as at 31 March 2020		<u>195,687</u>

Deferred income relates to funding received where at the year-end the performance related conditions attached to the funding had not yet been met and are considered outwith Capability Scotland's control.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

10 LIABILITIES

Creditors: amounts falling due after one year	2020	2019
	£	£
Hire purchase instalments	<u>34,256</u>	<u>70,656</u>

All amounts are due within five years. Amounts due under hire purchase contracts are secured on certain assets.

11 FUNDS

a) Statement of Funds

As at 31 March 2020	Balance 31 Mar 19	Incoming Resources	Outgoing Resources	Transfers	Gains / (Losses)	Balance 31 Mar 20
	£	£	£	£	£	£
Restricted Funds	878,464	7,816,088	(7,733,972)	(92,064)	-	868,516
Unrestricted Funds						
Designated						
Capital Reserve	5,125,830	-	(197,847)	-	-	4,927,983
Other Funds	469,153	-	-	-	-	469,153
	<u>5,594,983</u>	<u>-</u>	<u>(197,847)</u>	<u>-</u>	<u>-</u>	<u>5,397,136</u>
Ordinary	6,900,240	16,001,973	(15,516,753)	92,064	(300,000)	7,177,524
TOTAL UNRESTRICTED	<u>12,495,223</u>	<u>16,001,973</u>	<u>(15,714,600)</u>	<u>92,064</u>	<u>(300,000)</u>	<u>12,574,660</u>
TOTAL FUNDS	<u>13,373,687</u>	<u>23,818,061</u>	<u>(23,448,572)</u>	<u>-</u>	<u>(300,000)</u>	<u>13,443,176</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

11 FUNDS (continued)

As at 31 March 2019	Balance 31 Mar 18 £	Incoming Resources £	Outgoing Resources £	Transfers £	Gains / (Losses) £	Balance 31 Mar 19 £
Restricted Funds	925,545	8,098,113	(8,089,096)	(56,098)	-	878,464
Unrestricted Funds						
Designated						
Capital Reserve	5,323,678	-	(197,848)	-	-	5,125,830
Other Funds	486,716	-	(17,563)	-	-	469,153
	5,810,394	-	(215,411)	-	-	5,594,983
Ordinary	5,879,543	16,826,621	(15,562,022)	56,098	(300,000)	6,900,240
TOTAL UNRESTRICTED	11,689,937	16,826,621	(15,777,433)	-	(300,000)	12,495,223
TOTAL FUNDS	12,615,482	24,924,734	(23,866,529)	-	(300,000)	13,373,687

b) Restricted Funds

Restricted funds as at 31 March 2020 comprises	2020 £	2019 £
Operating income earmarked for expenditure	256,300	391,006
Other restricted funds	612,216	487,458
	<u>868,516</u>	<u>878,464</u>

Operating income earmarked for expenditure represents income received for specific services and projects. Other restricted funds are made up of 34 individual funds and represent income received from funders with a specific use identified.

c) Designated Funds

Designated funds comprise £4,927,983 of capital reserve, which reflects the book value of certain buildings and is reduced over the life of the asset in line with its depreciation and £469,153 for future development.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

11 FUNDS (continued)

d) Analysis of Net Assets between Funds as at 31 March 2020

	Unrestricted	Restricted	Total
	£	£	£
Fixed Assets	8,167,814	-	8,167,814
Current Assets	7,047,099	868,516	7,915,615
Current Liabilities	(2,605,997)	-	(2,605,997)
Long Term Liabilities	(34,256)	-	(34,256)
	<u>12,574,660</u>	<u>868,516</u>	<u>13,443,176</u>

Analysis of Net Assets between Funds as at 31 March 2019

	Unrestricted	Restricted	Total
	£	£	£
Fixed Assets	8,555,717	-	8,555,717
Current Assets	6,471,009	878,464	7,349,473
Current Liabilities	(2,460,847)	-	(2,460,847)
Long Term Liabilities	(70,656)	-	(70,656)
	<u>12,495,223</u>	<u>878,464</u>	<u>13,373,687</u>

12 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of new income to net cash flow from operating activities

	2020	2019
	£	£
Net Income for the reporting period as per Statement of Financial Activities	369,489	1,058,205
<i>Adjustments for:</i>		
Depreciation charges	623,871	652,667
Pension Fund adjustments	(300,000)	(300,000)
Dividends, interest and rents from investments	(191,375)	(181,508)
Hire Purchase interest paid	10,389	18,813
(Profit) on the sale of fixed assets	(383,595)	(725,146)
Decrease in stocks	56,318	241
Decrease/(increase) in debtors	(1,322,530)	562,678
(Decrease) in creditors	188,820	(49,328)
	<u>(948,613)</u>	<u>1,036,622</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

12 NOTES TO THE CASH FLOW STATEMENT

Changes in net debt

	As at 1 April 2019	Cashflows	As at 31 March 2020
	£	£	£
Cash	4,574,412	(699,829)	3,874,583
Hire purchase liability	(158,976)	79,829	(79,147)
	<u>4,415,436</u>	<u>(620,000)</u>	<u>3,795,436</u>

	As at 1 April 2018	Cashflows	As at 31 March 2019
	£	£	£
Cash	2,833,491	1,740,921	4,574,412
Hire purchase liability	(245,540)	86,564	(158,976)
	<u>2,587,951</u>	<u>1,827,485</u>	<u>4,415,436</u>

13 CONTRACTED COMMITMENTS

a) Operating lease commitments

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

	2020	2019
	£	£
Within one year	371,024	515,465
Between one and five years	285,210	673,957
After five years	1,934,685	1,961,225
	<u>2,590,918</u>	<u>3,150,647</u>

b) Operating lease – rental income

Capability Scotland holds surplus office buildings as investment properties as disclosed in note 6, which are let to third parties. These non-cancellable leases have remaining terms of up to five years.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Within one year	151,013	150,445
Between one and five years	32,500	162,500
	<u>183,513</u>	<u>312,945</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

14 FINANCIAL INSTRUMENTS

	2020	2019
Carrying amount of financial assets	£	£
Financial assets measured at fair value	<u>775,000</u>	<u>775,000</u>

15 PENSION SCHEMES

- a) Capability Scotland contributes on behalf of teaching staff to the Scottish Public Pensions Agency (SPPA), a multi-employer final salary scheme. Contributions during the year were £40,256 (2019 £43,664). The scheme is treated as a defined contribution scheme given that the charity is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting year.
- b) Capability Scotland operates a defined benefit plan in the UK. This is a separate trustee administered fund holding the pension plan assets to meet long-term pension liabilities. A preliminary actuarial valuation was carried out at 31 March 2018 and updated to 31 March 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The most recent actuarial valuation as at 31 March 2018 showed a deficit of £370,000. Capability Scotland agreed with the Pension Scheme Trustees that it will pay £25,000 per month until 30 June 2019 to clear this deficit. In addition, Capability Scotland has agreed with the Trustees that the additional contributions previously due of £25,000 per month will cease from 1 July 2019 and will be retained by the employer for possible use to meet enhanced transfer values which may be offered to members under an Enhanced Transfer Value (ETV) de-risking exercise.

In the event of contributions withheld in the period from 01 July 2019 to 30 November 2023 (i.e. a total of £1,325,000) not being fully utilised to meet the transfer value enhancements paid to the members who accept an ETV offer, and the scheme by then not having entered into a formal buy-out transaction with the insurer, the remaining balance of those contributions (i.e. £1,325,000 less the value of any enhancements paid to the members in the period between 1 July 2019 and 30 November 2023) will be paid to the scheme by no later than 31 December 2023.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

15 PENSION SCHEMES (continued)

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	31 March 2020 £'000	31 March 2019 £'000	31 March 2018 £'000
Fair value of plan assets	27,873	27,954	27,432
	21,432	23,253	22,794
Present value of defined benefit obligation			
Surplus/(deficit) in plan	6,441	4,701	4,638
Unrecognised surplus	6,441	4,701	4,638
Defined benefit asset/(liability) to be recognised	-	-	-
Deferred tax	-	-	-
Net defined benefit asset/(liability) to be recognised	-	-	-

Recognition of opening and closing balances of the defined benefit obligation

	31 March 2020 £'000	31 March 2019 £'000
Defined benefit obligation at start of the period	23,253	22,794
Current service cost	-	-
Expenses	-	-
Interest expense	510	549
Contributions by plan participants	-	-
Actuarial (gains)/losses	(1,133)	1,569
Benefits paid and expenses	(1,198)	(1,659)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Loss/(gain) on settlements	-	-
Loss/(gain) due to benefit changes	-	-
Defined benefit obligation at end of period	21,432	23,253

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

15 PENSION SCHEMES (continued)

Recognition of opening and closing balances of the fair value of plan assets

	31 March 2020 £'000	31 March 2019 £'000
Fair value of plan assets at start of the period	27,954	27,432
Interest income	617	669
Actuarial gains/(losses)	400	1,212
Contributions by Capability Scotland	100	300
Contributions by plan participants	-	-
Benefits paid and expenses	(1,198)	(1,659)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Fair value of plan assets at end of period	27,873	27,954

The actuarial return on the plan assets over the period ended 31 March 2020 was £1,017,000.

Defined benefit costs recognised in profit and loss

	31 March 2020 £'000	31 March 2019 £'000
Current service cost	-	-
Expenses	-	-
Net interest cost	-	-
Loss/(gain) on business combinations	-	-
Loss/(gain) on settlements	-	-
Loss/(gain) on curtailments	-	-
Loss/(gain) due to benefit changes	-	-
Defined benefit costs recognised in profit and loss account	-	-

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

15 PENSION SCHEMES (continued)

Defined benefit costs recognised in other comprehensive income

	31 March 2020 £'000	31 March 2019 £'000
Return on plan assets (excluding amounts included in net interest cost) – gain/(loss)	400	1,212
Experience gain/(loss) arising on plan liabilities	(46)	(779)
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	1,179	(790)
Effects of changes in the amount of surplus not recoverable (excluding amounts included in net interest cost) – gain/(loss)	(1,633)	57
Total amount recognised in other comprehensive income – gain/(loss)	(100)	(300)

Assets

	31 March 2020 £'000	31 March 2019 £'000	31 March 2018 £'000
Overseas equities	-	-	6,357
Corporate bonds	8,841	12,131	8,370
Government bonds	-	-	1,575
Diversified growth funds	10,356	6,768	8,358
Property	2,947	2,782	2,592
Cash	69	942	116
Insured pensioners	56	61	64
Liability-driven investments	5,604	5,270	-
Total Assets	27,873	27,954	27,432

None of the fair values of the assets shown above includes any direct investments in Capability Scotland's own financial instruments or any property occupied by, or other assets used by Capability Scotland.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

15 PENSION SCHEMES (continued)

Assumptions

	31 March 2020 % p.a.	31 March 2019 % p.a.	31 March 2018 % p.a.
Discount rate	2.40	2.25	2.50
Inflation (RPI)	2.75	3.30	3.20
Inflation (CPI)	2.25	2.30	2.20
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	3.00	3.00	3.00
Allowance for revaluation payment increases of RPI or 5% p.a. if less	2.70	2.20	3.10
Allowance for revaluation payment increases of RPI or 5% p.a. if less	2.00	2.00	1.95
Allowance for commutation of pension for cash at retirement	100% of Post A day	100% of Post A day	100% of Post A day

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 60 (years)
Male retiring in 2020	26.4
Female retiring in 2020	28.5
Male retiring in 2040	27.9
Female retiring in 2040	30.1

The best estimate of contributions to be paid by Capability Scotland to the plan for the period commencing 1 April 2019 is £0. All plan expenses, professional fees or levies due to the Pensions Regulator and the Pension Protection Fund, are to be met separately by Capability Scotland.

Analysis of the sensitivity to the principle assumptions of the value of the scheme liabilities:

	Change in assumption	Approximate change in liabilities
Discount rate	Increase/decrease of 0.5%	Decrease by 6.6%/ increase by 7.1%
Rate of inflation	Increase/decrease of 0.5%	Increase by 3.1%/ decrease by 3.1%
Rate of mortality	1-year life expectancy increase	Increase by 3.3%

NOTES TO THE ACCOUNTS

For the year ended 31 March 2020

16 Statement of Financial Activities (Incorporating an Income and Expenditure Account) For the year ended 31 March 2020

		2020			2019		
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£	£	£	£	£	£
Income From:							
Donations and Legacies	5	938,810	179,811	1,118,621	712,813	118,762	831,575
Charitable Activities	2	14,124,735	7,636,277	21,761,012	14,478,831	7,979,351	22,458,182
<i>Other Trading Activities:</i>							
Commercial Trading Operations		363,458	-	363,458	739,222	-	739,222
Investments	4	35,022	-	35,022	22,701	-	22,701
Other activities - rental and other income		156,353	-	156,353	158,807	-	158,807
Gain on Property Disposals		383,595	-	383,595	714,247	-	714,247
Total		16,001,973	7,816,088	23,818,061	16,826,621	8,098,113	24,924,734
Expenditure On:							
Raising Funds	3	136,925	-	136,925	157,247	-	157,247
Commercial Trading Operations	3	845,738	-	845,738	787,416	-	787,416
Charitable Activities	3	14,731,937	7,733,972	22,465,909	14,832,770	8,089,096	22,921,866
Total		15,714,600	7,733,972	23,448,572	15,777,433	8,089,096	23,866,529
Net Income/(Expenditure)		287,373	82,116	369,489	1,049,188	9,017	1,058,205
Transfers between funds	11	92,064	(92,064)	-	56,098	(56,098)	-
		379,437	(9,948)	369,489	1,105,286	(47,081)	1,058,205
Other recognised gains/(losses)							
Actuarial (losses) on defined benefit pension scheme	3	(300,000)	-	(300,000)	(300,000)	-	(300,000)
Net Movement in Funds		79,437	(9,948)	69,489	805,286	(47,081)	758,205
Reconciliation of Funds:							
Funds brought forward at 1 Apr 2019		12,495,223	878,464	13,373,687	11,689,937	925,545	12,615,482
Funds carried forward at 31 March 2020		12,574,660	868,516	13,443,176	12,495,223	878,464	13,373,687

All of the above are derived from continuing activities.

The notes on page 24 to 46 form part of these accounts.

Thank you for your help and support

We would like to thank all the individuals and organisations who donated to Capability Scotland in the last year and the many people who supported our fundraising by donating their time. We are unable to name all of them individually, but their support is very much appreciated. It makes a real difference to the lives of the people supported by Capability Scotland's services.

We thank everyone who responded in appeals, made a regular gift or took part in fundraising events. Thank you also to the companies and organisations who supported us through fundraising or by holding one of our collection boxes on their premises.

We would like to give special acknowledgement to all those who left a legacy to Capability Scotland or who donated to us in memory of a loved one.

With thanks to the following organisations and Trusts:

Organisations

Aviagen Ltd
Baker Incorporation of Perth
Edinburgh Hebrew Congregation
James Chapman Butchers
J Smart & Co (Contractors) plc
Johnstone Donaldson's Dance Club

Jury's Inn
Lanark & District Roundtable
Loaningdale School
Penilee Advisory Group
Virgin Media
The Weaver Incorporation of Dundee

Trusts

The Andrew & Mary Elizabeth Little Charitable Trust
The Broughton Charitable Trust
The Brownlie Charitable Trust
Callendar Charitable Trust
Dave Reuben's Trust
The Gamma Trust
Glebefoot Charitable Trust
Helen Reid Charitable Trust
The Hinshelwood Gibson Trust
Jean S Innes Charitable Trust
The JTH Charitable Trust
The Mrs Margaret H McInnes Trust

The Martin Connell Charitable Trust
The Northwood Charitable Trust
PEN Trust
The Peter Brough Bequest Fund
Miss R E Duncan's Charitable Trust
The St Katharine's Fund
Stenard Landale Charitable Trust
Stichting Teuntje Anna (TA Fund)
Talteg Ltd
Templeton Goodwill Trust
The W A Cargill Fund
William Gibson's Trust

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