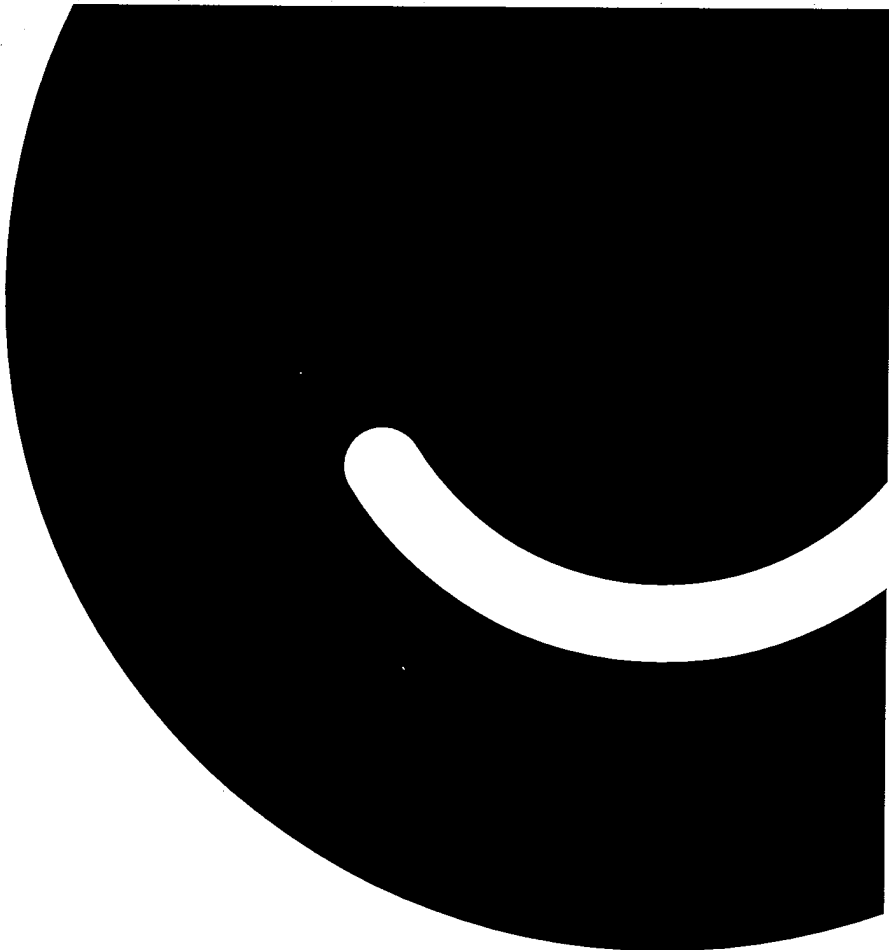




here for disabled people



Trustees' Report and Annual Accounts 2019



Capability Scotland

Trustees Report and Accounts 2019

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 & Corporate Resources
Auditors	MHA Henderson Loggie, 11 Thistle Street, Edinburgh, EH2 1DF
Bankers	The Royal Bank of Scotland, 36 St Andrew Square, Edinburgh, EH2 2YB
Solicitors	Morton Fraser LLP Solicitors, 2 Lister Square, Edinburgh, EH3 9GL Brodies 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 A A Graham CA

Mr G D Holmes CB FRSE FICFor

Mr J Sinclair

Main Board of Trustees

Chair Professor A Cameron CBE (appointed Chair 27 September 2018)

Chair Mr D Currie (resigned 27 September 2018)

Dr J Elder-Woodward OBE

Mr C Gilmour

Professor A Waller OBE

Mr M McCarron

Mr C Johnston

Ms E Davie

Mr M Payton

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 2019

The Trustees present their Annual Report incorporating the Strategic Report and audited financial statements for the year ended 31 March 2019.

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 Main 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 Main Board from people who have relevant experience and expertise, and a commitment to furthering the aims and objectives of Capability Scotland. The Main 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 Main 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, Remuneration, and Service Quality that meet as required.

Day-to-day management is delegated to the Chief Executive and senior managers responsible for Services & Development and Finance & Corporate Resources.

Strategic Plan 2018-2023

Capability Scotland's Strategic Plan 2018-2023 was launched at the September 2018 Board meeting. The development of the plan has taken 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 main 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 operate a small chain of charity shops.

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 Main Board and its Sub-Committees (Finance and Audit and Service Quality) 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 Main 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 feed 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.

After over 10 years with Capability Scotland's Main Board of Trustees, David Currie resigned from his position as Chair of the Main Board at our 57th AGM in September 2018. David was Chair during a significant period in Capability Scotland's history. He worked tirelessly to ensure that the organisation delivered on its five-year strategy, which focused on a wide-ranging modernisation agenda. Professor Sandy Cameron CBE was appointed the new Chair of the Main Board in September 2018.

Dana O'Dwyer retired from the role of Chief Executive in April 2019 after seven years in the role. Dana was responsible in leading Capability Scotland through a period of transformational modernisation and development over her tenure.

Brian Logan has been appointed as our new Chief Executive from July 2019 and will 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.

Review of Achievements and Performance during 2018/19

During 2018/19, 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 internal change at both Board and Executive level.

The launch of our Strategic Plan 2018-2023 and the development of an operational plan to underpin this ensures Capability Scotland is best placed to respond. 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.

We remain well placed in terms of tendering and framework agreements for new and existing services and in January 2019 appointed a Contracts Officer to administer our responses. We have secured a place on the Glasgow Framework for Social Care and Dundee Framework for Care and Support Services, and successfully retained adult services in Dumfries & Galloway, and Kelty, Fife.

In Renfrewshire, the services at Whitehaugh and West Lane Gardens closed on 26 April 2019 after considerable discussion and negotiations with the Local Authority and HSCP over many years regarding the future of the day services. The HSCP had agreed to extend the service to this date to enable the customers to transition to other services in the area.

Upper Springland is our largest service provision, and remains a key priority for Capability Scotland. It is now registered as four separate units with the Care Inspectorate: residential (Annaty; Tayview and Rosiebank & Tummel) and day opportunities provision (The Studio). A long-term sustainable model for Upper Springland is being developed, and a feasibility study of the site was commissioned in December 2018 for reporting to the Main Board in 2019/20.

Throughout 2018/2019, 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.

The senior management team at the schools has been strengthened with the appointment of an Executive Head Teacher in August 2018. 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 are able to continue to grow and develop our education provision. A new Business Plan for 2019-2022 for our Schools / Education Services has been submitted to the Scottish Government, which will shape the future direction of our education provision.

Within our care homes, demand continues to be very high and we are pleased to note that both Wallace Court and Lanarkshire Houses are full. Wallace Court is continuing to develop new and exciting ways to support the people who live there to achieve their outcomes with an extensive activities' programme now in place in the care home and throughout the local community. Wallace Court also added an outdoor sensory area to its range of facilities, including the introduction of three pygmy goats to its garden.

At Lanarkshire Houses, the refurbishment of the individual flats that make up the care home saw significant investment to provide facilities that meet the ever-changing needs of the customers who live there, including new fully accessible bathrooms and kitchens.

We remain alert to the continued challenging trading environment facing Capability Scotland shops. Our Business Case for Shops was approved by the Board in December 2018 and reviewed the financial viability of each shop. Four shops were recommended for closure in 2019 with the leases on our remaining shops being subject to review.

Capability Scotland's network of charity shops relies on our volunteers in order to function effectively. The volume of work involved in stocking and selling from a charity shop far exceeds that of a normal retailing operation. We could not operate without the commitment of our volunteers who collectively give over 720 hours per week across our 11 shops. We recognise this incredible commitment and the contribution made by our volunteers.

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. During the year, we held training and information sessions with staff and Trustees on safeguarding awareness, and our Safeguarding Forum meets quarterly to ensure Adult and Child Protection awareness is the focus for service delivery. The implementation of our new Values Statement; Equality, Diversity & Human Rights Policy; and Positive Behaviours Framework ensures our customers, staff and volunteers of Capability Scotland feel safe and supported at all times.

Our Values Statement was developed following extensive consultation with our Trustees, staff and customers. This has ensured staff 'buy-in' to the Values, using the slogan 'If it is to be, it is up to me'. Our values apply to everyone; Trustees, staff, volunteers, customers, families and others that we may work with. These Values are an integral part of our organisation and are 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 & Wellbeing of our customers and staff. Work is ongoing on health-related practice development to enable our customers to lead healthier lives and increase our customer experience. We have enhanced our portfolio of e-learning modules with new courses developed during the year on Personal Safety, Healthy Eating and Food Safety awareness.

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 have successfully implemented 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 remain 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 application of the European Union's General Data Protection Regulation (GDPR) from 25 May 2018 has had 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 have given us the opportunity to review our current practices and make improvements.

We have reviewed and significantly updated our Data Protection Policy and contracts and have prepared detailed privacy statements for our customers, staff and donors. We have created new policies on areas such as Records Management and Information Security to give managers and staff clear guidance on their responsibilities with the records that we hold. We have launched an e-learning module on Data Protection, which all staff are required to complete to increase awareness of respecting and protecting personal data.

Outcomes

We currently have 20 registered care services and continue to receive very positive external certifications from the Care Inspectorate for those services inspected. Eleven services were inspected during 2018/19, and of these, nine achieved grades of 5 or more ('very good'), with four receiving at least one grade 6 ('excellent'). Only one service received grade 3 assessments (adequate) and these are subject to close internal scrutiny to ensure ongoing improvement work is prioritised (Stanmore House Respite & Residential).

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 2018/19, we continued with our commitment to the improvement and development of our existing 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. We also introduced our new Quality and Improvement Framework as the foundation document in our transition from the previous Quality Management System (ISO 9001) to the European Framework for Quality Management (EFQM).

We are currently working towards the EFQM Committed to Excellence (C2E) award, accredited by Quality Scotland. There are three projects being reviewed as part of the C2E level; developing and embedding our values across the organisation, promoting positive behaviours, and developing and promoting the use of Makaton. The projects were assessed in May 2019, with the outcome to be awarded June 2019.

We have invested in digital suites in Glasgow, 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.

Empowerment

The Trustees receive feedback directly from those we support through our Customer Advisory Group. Its work with the Main 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 Main Board and the Chief Executive attend each Customer Advisory Group meeting.

We have developed innovative ways to increase our customer voice. Our customers have been involved with the development of policies and procedures, including the use of easy read formats. Our customers are also involved in external national consultations with a range of stakeholders, to inform and improve accessibility on a wide range of topics (including Scottish Ambulance Service and Scottish Government).

Investment in staff training and development continues to be a key priority for Capability Scotland. In 2018/19, a further 36 staff were supported to undertake their Scottish Vocational Qualifications (SVQs) with four completing their SVQs within the year. We have also reviewed our arrangements for the delivery of SVQs. Staff are now 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 2,860 training events on a wide variety of diverse subjects reflecting the increasingly complex needs of our customers.

Funding was secured for six Modern Apprenticeships in 2018/19, and a further 15 apprenticeships started in April 2019. Links have been established with each of the above colleges and Dundee and Napier universities to promote career opportunities in all areas of Capability Scotland, not just in care. Our services in Dundee and Craigmillar and Riccarton, Edinburgh have successfully offered placements to students through these links.

The e-learning platform, LearnPro was launched in June 2018, with five mandatory and eight optional awareness courses. The uptake for e-learning courses has continued to increase with 9,111 completed courses by 934 individuals including new employees and volunteers during 2018/19. New courses have been added to the portfolio offered, and there are now seven mandatory and 14 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 Main Board, and its Finance & Audit and Service Quality sub-committees on a quarterly basis. The remit of the Finance & 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.

Financial Review

The Income and Expenditure Account reports a surplus of £1,058,205 for net incoming resources in the year, which compares to a surplus of £406,376 in 2017/18. The surplus after actuarial losses on the defined benefit pension scheme is £758,205 (2017/18 £106,376).

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 £714,247 in respect of overage payments following the sale of Westerlea, which has had a positive impact on our reported financial position for the year.

Total income for 2018/19 was £24,924,734, which is an increase of £630,013 on the previous year. Income from Charitable Activities (note 2) for the delivery of services to disabled people increased year on year by £278,207 to £22,458,182.

Fundraising income this year was £831,575, a reduction of £214,006 on the previous year. Although income from legacies increased in 2018/19, the total amount of donations received was significantly reduced reflecting the continued challenging financial environment in which we live. The costs associated with raising funds reduced by £19,650 over the previous year.

Capability Scotland continues to operate shops that generate income from donated goods. A number of our high street shops were inherited in 2000 from Scope, a charity registered in England and Wales, and we are committed to ongoing leases for the majority of these shops. The Trustees continue to take action to address the financial performance of our charity shops and 11 shops remained trading at 31 March 2019, with four planned closures of poorer performing shops scheduled for the first quarter of 2019/20.

Shops income for 2018/19 was £739,222, which is an increase of £29,802 on the previous year. Operating expenditure for the Shops was £742,416 for the year; a reduction of £50,133 compared to 2017/18. This resulted in an £3,194 deficit on trading activities for 2019 (2018 £83,129 deficit). The deficit after the cost of dilapidations and external repairs (£45,000) incurred during the year was £48,194.

Total expenditure for 2018/19 was £23,866,529, which is a reduction of £21,816 on the previous year.

The final salary pension scheme valuation under FRS102 rules, which shows a positive position of £4,701,000 (2017/18 £4,638,000), 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 2019, free unrestricted net current assets, expressed as current assets less current liabilities (note 11(d)), totalled £4,010,162, which is 67% of the target amount. This compares to £2,696,539 and 45% in 2017/18.

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 2019, restricted funds totalled £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 Management Team. The Main 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 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

In 2018/19, we reviewed our Equality and Diversity policy, and developed a new e-learning module to complement this. Our 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, sex, 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 2019, 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 4.1% (2018 5.8%).

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 Management Board 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 Committee, a sub-committee of the Main Board, is responsible for setting pay and remuneration for key management personnel. Capability Scotland's Executive Management Board (EMB) comprises the Chief Executive, Director of Services & Development and Director of Finance & Corporate Resources

The Chief Executive is appointed by the Main 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 Main Board, for all operational matters.

Chief Executive

Dana O'Dwyer (resigned 30 April 2019)

Brian Logan (appointed 8 July 2019)

Director of Finance and Corporate Resources

Andrew Philip (appointed 2 July 2018)

Director of Services and Development

Charlie McMillan (resigned 30 April 2019)

Interim Director of Services and Development

Callum MacGregor (appointed 15 April 2019)

The remuneration and benefits paid to the EMB in 2018/19 totals £343,254 (2017/18 £306,699). In addition pension contributions of £43,364 (2017/18 £19,403) were paid to a defined contributions pension scheme.

Related Parties

Capability Scotland had a wholly owned subsidiary, Capability Scotland Trading Ltd., which was formally dissolved on 26 February 2019. The Trading Company had been established to sell bought goods, with the income generated being available to the charity for the furtherance of its charitable objectives. The charity's subsidiary Trading Company did not trade during the year.

Plans for the Future

2018/19 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.

2019/20 is the first full year of our Strategic Plan 2018-2023 and we will continue to focus on the implementation of plans to meet our five strategic objectives:

- 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.

We welcome a new Chief Executive, Brian Logan, to Capability Scotland in July 2019 and Brian will bring a fresh perspective to lead our delivery of the strategic plan.

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;
- Review opportunities to utilise technology more effectively across Capability Scotland, and implement IT solutions to support our business processes;
- Develop a five-year Funding Plan to underpin the delivery of the Strategic Plan.

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 financial year 2020/21 and this will impact on our two Grant Aided Special Schools, Corseford and Stanmore House. There is a risk that 'ring-fencing' of these funds could be removed, use of funding could be made more prescriptive and the amounts received could be subject to reduction. We continue to work closely with the Scottish Government on future developments, and the impact this will have on our service provision.

We are an inclusive organisation with good communication at the heart. We will develop internal and external communication engagement plans 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.

Statement of Trustees' Responsibilities

Law applicable to incorporated charities in Scotland requires the Main 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 Main Board are required to:

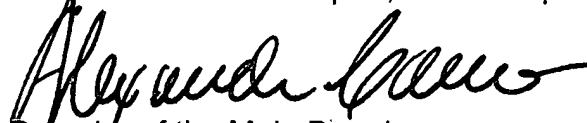
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial 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 Main 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 Main 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 Main Board
Professor A Cameron CBE
Chair

25 June 2019

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 2019 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 2019 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.

MHA Henderson Loggie 25 June 2019

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

2019

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 2019

		2019			2018
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
Income From:					
Donations and Legacies	5	712,813	118,762	831,575	1,045,581
Charitable Activities	2	14,478,831	7,979,351	22,458,182	22,179,975
<i>Other Trading Activities:</i>					
Commercial Trading Operations		739,222	-	739,222	709,420
Investments	4	22,701	-	22,701	16,657
Other activities - rental and other income		158,807	-	158,807	343,088
Gain on Property Disposals		714,247	-	714,247	-
Total		16,826,621	8,098,113	24,924,734	24,294,721
Expenditure On:					
Raising Funds	3	157,247	-	157,247	176,897
Commercial Trading Operations	3	787,416	-	787,416	883,326
Charitable Activities	3	14,832,770	8,089,096	22,921,866	22,828,122
Total		15,777,433	8,089,096	23,866,529	23,888,345
Net Income/(Expenditure)		1,049,188	9,017	1,058,205	406,376
Transfers between funds	11	56,098	(56,098)	-	-
		1,105,286	(47,081)	1,058,205	406,376
Other recognised gains/(losses)					
Actuarial (losses) on defined benefit pension scheme	3	(300,000)	-	(300,000)	(300,000)
Net Movement in Funds		805,286	(47,081)	758,205	106,376
Reconciliation of Funds:					
Funds brought forward at 1 Apr 2018		11,689,937	925,545	12,615,482	12,509,106
Funds carried forward at 31 March 2019		12,495,223	878,464	13,373,687	12,615,482

All of the above are derived from continuing activities. The analysis between restricted and unrestricted funds for 2018 is detailed in note 16.

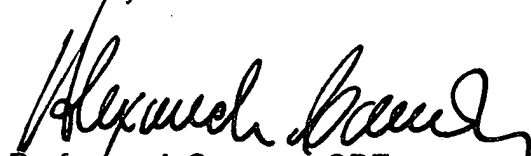
The notes on pages 23 to 46 form part of the Accounts.

Balance Sheet

As at 31 March 2019

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	6		8,555,717		9,111,405
CURRENT ASSETS					
Stock	8	56,318		56,559	
Debtors	7	2,718,502		3,281,180	
Cash at bank and in hand		4,574,412		2,833,491	
		<u>7,349,232</u>		<u>6,171,230</u>	
Creditors: amounts falling due within one year	9	(2,460,606)		(2,549,146)	
NET CURRENT ASSETS			4,888,626		3,622,084
TOTAL ASSETS less CURRENT LIABILITIES			13,444,343		12,733,489
Liabilities:					
Creditors: amounts falling due after more than one year	10		(70,656)		(118,007)
TOTAL NET ASSETS			13,373,687		12,615,482
FUNDS OF THE CHARITY					
Unrestricted Funds	11		12,495,223		11,689,937
Restricted Funds	11		878,464		925,545
TOTAL FUNDS			13,373,687		12,615,482

The Accounts were approved by the Main Board on 25 June 2019 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 17-19.

The notes on pages 23 to 46 form part of the Accounts.

Company Number SC036524

Statement of Cash Flows

For the year ended 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities	12	1,036,622	268,359
Net cash provided by (used in) operating activities			
cash flows from investing activities:			
Dividends, interest and rents from investments		181,508	359,745
Proceeds from the sale of property, plant and equipment		762,077	-
Purchase of property, plant and equipment		(133,910)	(348,364)
Net cash provided by (used in) investing activities		809,675	11,381
Cash flows from financing activities:			
Hire purchase interest paid		(18,813)	(20,380)
Repayments of borrowings		(166,895)	(83,526)
Cash inflows from new borrowing		80,332	23,466
Net cash provided by (used in) financing activities		(105,376)	(80,440)
Change in cash and cash equivalents in the reporting period		1,740,921	199,300
Cash and cash equivalents at the beginning of the reporting period		2,833,491	2,634,191
Cash and cash equivalents at the end of the reporting period		4,574,412	2,833,491

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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 financial review, 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.

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 Main 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 Main Board in furtherance of the objects of Capability Scotland. If part of the unrestricted funds is earmarked at the discretion of the Main 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 Main 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 Main 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 where by 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, taking into account 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 2019

1 STAFF NUMBERS AND COSTS

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

	2019 £	2018 £
Wages and salaries	15,485,865	15,777,810
Redundancy payments	132,615	117,507
Social Security costs	1,235,755	1,209,981
Pensions costs - defined benefits	300,000	300,000
Pensions costs - defined contributions	513,117	420,488
Pension Adjustment - defined contributions	(300,000)	(300,000)
Agency Fees	986,356	879,730
	<u>18,353,708</u>	<u>18,405,516</u>
Benefits in kind (as defined for personal taxation purposes)	-	-
	<u>18,353,708</u>	<u>18,405,516</u>
	Number	Number
The average number of employees of Capability Scotland during the year was:	<u>898</u>	<u>937</u>

The above costs include Redundancy Costs of £132,615 (2018 £117,507) 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 £343,254 for the year (2018 £306,699). In addition, pension contributions of £43,364 (2018 £19,403) were paid to a defined contributions pension scheme. Employees receiving salaries, plus benefits in kind, of more than £60,000 were in the bands £70,001-£80,000 1 (2018 1), £100,001-£110,000 0 (2018 1); £180,001 - £190,000 1 (2018 0).

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 2019

1 STAFF NUMBERS AND COSTS (continued)

b) Trustees' Remuneration and Related Parties

No Trustees received remuneration in the year. Expenses of £136 (2018 £277) 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.

A Trustee is the Chairperson of the Glasgow Centre for Inclusive Living. In the year £0 (2018 £10,000) grant was paid to the Centre as part of a Joint Project for the Scottish Government.

c) Defined Contributions Pension Scheme

The contributions payable to the defined contribution pension schemes at the year-end was £71,664 (2018 £43,991).

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

2 NET INCOME

a) Net Income is stated after charging:	2019	2018
	£	£
Auditor's remuneration - audit	25,000	24,900
- audit of Pension Scheme	3,345	3,250
- other	1,430	2,145
Depreciation of tangible fixed assets (note 6)	652,667	636,664
Rental charges under operating leases	683,480	789,179
Rental Income under operating leases	135,691	139,772
Hire purchase interest	18,813	20,380

The surplus is stated after charging:

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

Local Authorities	18,416,944	17,786,734
Scottish Government	3,116,664	2,914,456
Employment Programmes	261,837	886,646
Benefits Agency	459,747	397,642
Health Boards	0	32,564
Department of Transport	28,767	25,852
Other	174,223	136,081
Total	22,458,182	22,179,975

Scottish Government income above relates to grants for supporting children and young people with additional support needs £3,116,664 (2018 £2,934,056).

c) Income for Charitable Activities is made up as follows:	2019	2018
	£	£
Schools	5,483,163	5,628,736
Other Children's Services	252,779	155,380
Adult Day Services	2,984,433	3,138,517
Adult Residential Services	9,019,985	8,310,622
Community Living Services	4,286,228	3,902,890
Employment Services	261,837	887,316
Other Services and Activities	169,757	156,514
Total	22,458,182	22,179,975

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

3 EXPENDITURE

	Direct activities £	Support costs £	2019 Total £	2018 Total £
a) Expenditure:				
Raising funds	145,947	11,300	157,247	176,897
Commercial Trading Operations	717,932	69,484	787,416	883,326
Charitable Activities				
Schools	4,738,006	323,929	5,061,935	5,537,419
Other Children's Services	83,030	5,810	88,840	137,547
Adult Day Services	3,095,628	212,712	3,308,340	3,315,279
Adult Residential Services	8,452,098	583,056	9,035,154	8,183,385
Community Living Services	4,616,059	315,592	4,931,651	4,819,626
Employment Services	329,540	31,275	360,815	728,533
Other Services	395,460	28,332	423,792	376,023
Campaigning, Policy, Information and Influencing	11,446	(107)	11,339	30,310
Pension Adjustment	(300,000)		(300,000)	(300,000)
Total Charitable activities	21,421,267	1,500,599	22,921,866	22,828,122
 Total per the Statement of Financial Activities	 22,285,146	 1,581,383	 23,866,529	 23,888,345

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 2019

3 EXPENDITURE (continued)

c) Commercial Trading Activities

Capability Scotland has 11 shops, which generate income by selling donated goods. Our staff are supported by volunteers who ensure that our shops can operate throughout the year to generate income.

Commercial Trading Activities:	2019	2018
	£	£
Operating expenditure from trading activities	742,416	792,549
Dilapidations and external repairs expenditure	45,000	90,777
	<u>787,416</u>	<u>883,326</u>

d) Support Costs

Support Costs of £1,581,383 (2018 £1,550,958) 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 £63,083 (2018 £56,544) have been included in Support Costs.

4 INVESTMENT INCOME	2019	2018
	£	£
Bank and other Interest	<u>22,701</u>	<u>16,657</u>

5 DONATIONS AND LEGACIES	2019	2018
	£	£
Donations Received	343,574	617,759
Legacies	488,001	427,822
	<u>831,575</u>	<u>1,045,581</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

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	690,807	807,447	3,713,585	14,309,115
Additions	-	-	80,332	53,578	133,910
Disposals	-	(26,233)	(172,258)	(67,641)	(266,132)
At end of year	9,097,276	664,574	715,521	3,699,522	14,176,893
Depreciation					
At beginning of year	2,861,306	240,021	593,136	1,503,247	5,197,710
Provided for the year	166,329	61,593	75,312	349,433	652,667
On disposals	-	(26,233)	(135,543)	(67,425)	(229,201)
At end of year	3,027,635	275,381	532,905	1,785,255	5,621,176
Net book value					
At 31 March 2019	6,069,641	389,193	182,616	1,914,267	8,555,717
At 1 April 2018	6,235,970	450,786	214,311	2,210,338	9,111,405

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:	2019 £	2018 £
Investment property at fair value:		
Long leaseholds	775,000	775,000
Other properties at cost:		
Long leaseholds	376,733	384,740
Freeholds	4,917,908	5,076,230
	<u>6,069,641</u>	<u>6,235,970</u>

The investment property was purchased in the year to 31 March 2017 and as such the purchase price is deemed to be the fair value.

b) Contingent Asset

In respect of a property that has been sold should certain performance targets be met in the ten year period following the date of entry on the property, being 30 June 2016, further sums will be receivable.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

6 FIXED ASSETS (continued)

c) Contingent Liability

In certain circumstances, grants received for refurbishment works on School buildings may become repayable. The total of such grants is £277,306 (2018 £277,621).

d) Assets held under hire purchase contracts

The net book value of assets includes amounts of £218,531 (2018 £301,422) in respect of assets held under hire purchase contracts. The depreciation charge for the year on these assets was £103,896 (2018 £119,132).

7 DEBTORS

	2019	2018
	£	£
Fees and grants due	2,142,463	2,499,575
Other debtors	8,583	31,827
Prepayments and accrued income	567,456	743,580
	<u>2,718,502</u>	<u>3,274,982</u>

8 STOCK

	2019	2018
	£	£
Stock of donated goods for resale	<u>56,318</u>	<u>56,559</u>

9 LIABILITIES

	2019	2018
	£	£
a) Creditors: amounts falling due within one year		
Trade creditors	611,360	397,408
Social Security costs and other taxes	294,346	264,799
Accruals and deferred income	208,112	481,745
Other creditors and provisions	1,258,467	1,277,661
	<u>2,372,285</u>	<u>2,421,613</u>
Prepayments and accrued income	88,321	127,533
	<u>2,460,606</u>	<u>2,549,146</u>

b) Deferred Income

	£
Balance as at 1 April 2018	279,449
Amounts released to income earned from charitable activities	(231,649)
Amount deferred in year	6,489
Balance as at 31 March 2019	<u><u>54,289</u></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	2019	2018
	£	£
Hire purchase instalments	<u>70,656</u>	<u>118,007</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 2019	Balance 31 Mar 18	Incoming Resources	Outgoing Resources	Transfers	Gains and (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
	<u>5,810,394</u>	<u>-</u>	<u>(215,411)</u>	<u>-</u>	<u>-</u>	<u>5,594,983</u>
Ordinary	5,879,543	16,826,621	(15,562,022)	56,098	(300,000)	6,900,240
TOTAL UNRESTRICTED	<u>11,689,937</u>	<u>16,826,621</u>	<u>(15,777,433)</u>	<u>-</u>	<u>(300,000)</u>	<u>12,495,223</u>
TOTAL FUNDS	<u>12,615,482</u>	<u>24,924,734</u>	<u>(23,866,529)</u>	<u>-</u>	<u>(300,000)</u>	<u>13,373,687</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

11 FUNDS (continued)

As at 31 March 2018	Balance 31 Mar 17	Incoming Resources	Outgoing Resources	Transfers	Gains and (Losses)	Balance 31 Mar 18
	£	£	£	£	£	£
Restricted Funds	1,238,284	7,867,437	(7,674,301)	(505,875)	-	925,545
Unrestricted Funds						
Designated						
Capital Reserve	5,511,217	-	(198,300)	10,761	-	5,323,678
Other Funds	486,716	-	-	-	-	486,716
	5,997,933	-	(198,300)	10,761	-	5,810,394
Ordinary	5,272,889	16,427,284	(16,015,744)	495,114	(300,000)	5,879,543
TOTAL UNRESTRICTED	11,270,822	16,427,284	(16,214,044)	505,875	(300,000)	11,689,937
TOTAL FUNDS	12,509,106	24,294,721	(23,888,345)	-	(300,000)	12,615,482

b) Restricted Funds

Restricted funds as at 31 March 2019 comprises	2019 £	2018 £
Operating income earmarked for expenditure	391,006	298,328
Other restricted funds	487,458	627,217
	<u>878,464</u>	<u>925,545</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 £5,125,818 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 £469,155 for future development.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

11 FUNDS (continued)

d) 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>

Analysis of Net Assets between Funds as at 31 March 2018

	Unrestricted £	Restricted £	Total £
Fixed Assets	9,111,405	-	9,111,405
Current Assets	5,245,685	925,545	6,171,230
Current Liabilities	(2,549,146)	-	(2,549,146)
Long Term Liabilities	(118,007)	-	(118,007)
	<u>11,689,937</u>	<u>925,545</u>	<u>12,615,482</u>

12 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of new income to net cash flow from operating activities

	2019 £	2018 £
Net Income for the reporting period as per Statement of Financial Activities	1,058,205	406,376
<i>Adjustments for:</i>		
Depreciation charges	652,667	636,664
Pension Fund adjustments	(300,000)	(300,000)
Dividends, interest and rents from investments	(181,508)	(359,745)
Hire Purchase interest paid	18,813	20,380
(Profit) on the sale of fixed assets	(725,146)	-
Decrease in stocks	241	17,419
Decrease/(increase) in debtors	562,678	(78,580)
(Decrease) in creditors	(49,328)	(74,155)
	<u>1,036,622</u>	<u>268,359</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

13 CONTRACTED COMMITMENTS

a) Capital commitments	2019	2018
	£	£
Capital	-	125,130
	<u>-</u>	<u>125,130</u>

Capital commitments relate to contractual commitments for the acquisition of tangible fixed assets.

b) Operating lease commitments

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

	2019	2018
	£	£
Within one year	515,465	542,189
Between one and five years	673,957	511,878
After five years	1,961,225	1,988,766
	<u>3,150,647</u>	<u>3,042,833</u>

c) 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:

	2019	2018
	£	£
Within one year	150,445	156,316
Between one and five years	162,500	292,500
After five years	-	-
	<u>312,945</u>	<u>448,816</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

14 FINANCIAL INSTRUMENTS

	2019	2018
	£	£
Carrying amount of financial assets		
Financial assets measured at fair value	<u>775,000</u>	<u>775,000</u>
Debt instruments measured at amortised cost	<u>2,151,046</u>	<u>2,531,402</u>
Carrying amount of financial liabilities		
Measured at amortised costs	<u>1,933,820</u>	<u>2,402,354</u>

Debt instruments measured at amortised cost comprises trade debtors, other debtors, and amounts owed by Capability Scotland undertakings.

Liabilities measured at amortised cost comprises trade creditors, payments received on account, accruals, other creditors, and amounts due to Capability Scotland undertakings.

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 £43,664 (2018 £43,991). 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 2019 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

After the 2015 full actuarial valuation, which showed a surplus of £951,000, Capability Scotland has agreed with the trustees that it will pay additional contributions of £25,000 per month until 30 November 2023. Capability Scotland will separately meet all plan expenses and professional fees, including any levies due to the Pensions Regulator and Pension Protection Fund.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

15 PENSION SCHEMES (continued)

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

	31 March 2019 £'000	31 March 2018 £'000	31 March 2017 £'000
Fair value of plan assets	27,954	27,432	27,731
Present value of defined benefit obligation	23,253	22,794	23,586
Surplus/(deficit) in plan	4,701	4,638	4,145
Unrecognised surplus	4,701	4,638	4,145
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 2019 £'000	31 March 2018 £'000
Defined benefit obligation at start of the period	22,794	23,586
Current service cost	-	-
Expenses	-	-
Interest expense	549	584
Contributions by plan participants	-	-
Actuarial losses/(gains)	1,569	(21)
Benefits paid and expenses	(1,659)	(1,355)
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	23,253	22,794

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

15 PENSION SCHEMES (continued)

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

	31 March 2019 £'000	31 March 2018 £'000
Fair value of plan assets at start of the period	27,432	27,731
Interest income	669	694
Actuarial gains/(losses)	1,212	62
Contributions by Capability Scotland	300	300
Contributions by plan participants	-	-
Benefits paid and expenses	(1,659)	(1,355)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Fair value of plan assets at end of period	27,954	27,432

The actuarial return on the plan assets over the period ended 31 March 2019 was £1,881,000.

Defined benefit costs recognised in profit and loss

	31 March 2019 £'000	31 March 2018 £'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 2019

15 PENSION SCHEMES (continued)

Defined benefit costs recognised in other comprehensive income

	31 March 2019 £'000	31 March 2018 £'000
Return on plan assets (excluding amounts included in net interest cost) – gain/(loss)	1,212	62
Experience gain/(loss) arising on plan liabilities	(779)	(68)
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	(790)	89
Effects of changes in the amount of surplus not recoverable (excluding amounts included in net interest cost) – gain/(loss)	57	(383)
Total amount recognised in other comprehensive income – gain/(loss)	(300)	(300)

Assets

	31 March 2019 £'000	31 March 2018 £'000	31 March 2017 £'000
Overseas equities	-	6,357	6,618
Corporate bonds	12,131	8,370	8,204
Government bonds	-	1,575	1,571
Diversified growth funds	6,768	8,358	8,789
Property	2,782	2,592	2,391
Cash	942	116	83
Insured pensioners	61	64	75
Liability-driven investments	5,270	-	-
Total Assets	27,954	27,432	27,731

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 2019

15 PENSION SCHEMES (continued)

Assumptions

	31 March 2019 % p.a.	31 March 2018 % p.a.	31 March 2017 % p.a.
Discount rate	2.50	2.50	2.55
Inflation (RPI)	3.20	3.20	3.25
Inflation (CPI)	2.20	2.20	2.25
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	3.10	3.10	3.15
Allowance for revaluation payment increases of RPI or 5% p.a. if less	1.95	1.95	2.00
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 2019 imply the following life expectancies:

	Life expectancy at age 60 (years)
Male retiring in 2019	26.4
Female retiring in 2019	28.4
Male retiring in 2039	27.6
Female retiring in 2039	29.7

The best estimate of contributions to be paid by Capability Scotland to the plan for the period commencing 1 April 2019 is £300,000. 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 6.45%/ increase by 7.2%
Rate of inflation	Increase/decrease of 0.5%	Increase by 3.1%/ decrease by 3.0%
Rate of mortality	1 year life expectancy increase	Increase by 3.1%

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

16 Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

For the year ended 31 March 2019

		2019			2018		
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£	£	£	£	£	£
Income From:							
Donations and Legacies	5	712,813	118,762	831,575	754,971	290,610	1,045,581
Charitable Activities	2	14,478,831	7,979,351	22,458,182	14,603,148	7,576,827	22,179,975
<i>Other Trading Activities:</i>							
Commercial Trading Operations		739,222	-	739,222	709,420	-	709,420
Investments	4	22,701	-	22,701	16,657	-	16,657
Other activities - rental and other income		158,807	-	158,807	343,088	-	343,088
Gain on Property Disposals		714,247	-	714,247	-	-	-
Total		16,826,621	8,098,113	24,924,734	16,427,284	7,867,437	24,294,721
Expenditure On:							
Raising Funds	3	157,247	-	157,247	176,897	-	176,897
Commercial Trading Operations	3	787,416	-	787,416	883,326	-	883,326
Charitable Activities	3	14,832,770	8,089,096	22,921,866	15,153,821	7,674,301	22,828,122
Total		15,777,433	8,089,096	23,866,529	16,214,044	7,674,301	23,888,345
Net Income/(Expenditure)		1,049,188	9,017	1,058,205	213,240	193,136	406,376
Transfers between funds	11	56,098	(56,098)	-	505,875	(505,875)	-
		1,105,286	(47,081)	1,058,205	719,115	(312,739)	406,376
Other recognised gains/(losses)							
Actuarial (losses) on defined benefit pension scheme	3	(300,000)	-	(300,000)	(300,000)	-	(300,000)
Net Movement in Funds		805,286	(47,081)	758,205	419,115	(312,739)	106,376
Reconciliation of Funds:							
Funds brought forward at 1 Apr 2018		11,689,937	925,545	12,615,482	11,270,822	1,238,284	12,509,106
Funds carried forward at 31 March 2019		12,495,223	878,464	13,373,687	11,689,937	925,545	12,615,482

All of the above are derived from continuing activities.

The notes on page 23 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. Thanks 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

Baker Incorporation of Perth
Craigclowan Preparatory School
Institute of Marine, Engineering, Science & Technology
J Smart & Co (Contractors) plc
James Chapman Butchers
JDPS Plumbers Ltd
Jury's Inn
Virgin Media

Trusts

The Andrew & Mary Elizabeth Little Charitable Trust	The JTH Charitable Trust
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The Ian Fleming Charitable Trust	The Northwood Charitable Trust
The Martin Connell Charitable Trust	The Peter Brough Bequest Fund
Miss I F Harvey's Charitable Trust	The St Katharine's Fund
Miss R E Duncan's Charitable Trust	The W A Cargill Fund
Stichting Teuntje Anna (TA Fund)	Templeton Goodwill Trust
Talteg Ltd	William Gibson's Trust
The Mrs Margaret H McInnes Trust	Helen Reid Charitable Trust
The Souter Charitable Trust	Glebefoot Charitable Trust
The Broughton Charitable Trust	Mrs AA Clutterbuck's Charitable Trust

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