



Children 1st
Annual Report and Financial Statements
Year ended
31st March 2022

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Reference and Administrative Details

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

Registered Scottish Charity No: SC016092 | www.children1st.org.uk

Registered office	83 Whitehouse Loan, Edinburgh, EH9 1AT
Patron and President	Vacant
Vice Presidents	The Rt. Hon. The Lord Provost of Edinburgh The Rt. Hon. The Lord Provost of Glasgow The Lord Provost of Aberdeen The Lord Provost of Dundee

The Board

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

Chair	Dr Ken Cunningham CBE
Vice Chair	Stella Everingham
Hon. Treasurer	Brian Davidson MA, CA
Hon. Law Agent	Caroline Gilchrist LLB (Hons)
Board Members	Craig Burnside BSc (stepped down September 2021) Jason Cohen BAcc, CA Ronnie Corse Maggie Craig MA Ian Donaldson Anne Hughes BA Hons Elizabeth Inglesfield M. Psychol Kenneth Lewandowski Rosemary McGinness Diana Noel Paton (stepped down April 2021) Caroline Whyteside BSc, ACA

Executive management is delegated to the Chief Executive and three Directors:

Chief Executive	Mary Glasgow
Director of Children and Family Services	Linda Jardine
Director of Finance and Corporate Services	Ian Harrington (until June 2021)
Director of Finance and Corporate Services	Audrey Finch-Robertson (August 2021 until January 2022)
Director of Finance and Corporate Services	Lesley-Anne Junner (June 2022)
Director of Fundraising and Business Development	Gary Kernahan

Professional Advisors

Auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh, EH12 5HD
Banker	Bank of Scotland 426 Morningside Road Edinburgh, EH10 5QF
Insurance Broker	Marsh Commercial Chartered Insurance Brokers G1 Building 5 George Square Glasgow G2 1AR
Pension Advisor	Argyle Consulting Limited 43 Northumberland St Edinburgh EH3 6JQ
Solicitor	Shoosmiths LLP Saltire Court 20 Castle Street Edinburgh EH1 2EN
Solicitor	Blackadders LLP 53 Bothwell Street Glasgow G2 6TS
Solicitor	Morton Fraser 2 Lister Square Quartermile Two Simpson Loan Edinburgh EH3 9GL
Investment Advisor and Manager	Brewin Dolphin Atria One, 144 Morrison Street Edinburgh, EH3 8EX

Foreword

During 2021/2022 Children 1st continued to move closer to our ambition of being there for every child and family in Scotland that needs us, for as long as they need us, and helping families to stay safe, loved and well together.

At Children 1st we believe that children do well when families do well. When children grow up safe and loved in their own family they build good relationships, are generally healthy, become resilient, fulfil their potential, contribute to strong communities and are set to nurture the next generation of children. In 2021/2022 we continued to be there for families offering the right support at the right time from immediate, practical, financial and emotional help to more intensive and continuous support to recover from trauma and abuse.

We expanded our reach, supporting 16,390 children and families across 15 local authority areas in Scotland. We also continued to work alongside children and families to shape transformational changes that will make a difference to every child. Through our partnerships with funders, local authorities and others, we continued to play our part in fulfilling The Promise that wherever it is safe to do so children will stay with their families and families will be actively supported to stay together.

Four years ago, when the charity set out our vision and strategic priorities, we anticipated many challenges for Scotland's children and families, but the trauma resulting from living through a global pandemic, compounded by war in Ukraine and the levels of poverty resulting from the biggest drop in living standards since records began have created a level of challenge beyond anything I've seen in my lifetime.

Now, more than ever children and families need their rights to be upheld and their needs met. So, while this review looks back over the last year, at Children 1st we are very much looking forward. It is a timely moment to be renewing our purpose, re-energising our ambitions and developing new strategic priorities alongside the children and families we work with, supported by our new Chair, and Board members.

This is my last annual review as Chair and I want to thank every one of the children and families, partners, colleagues, volunteers and fellow Board members that I have worked with for the passion and commitment with which they have continually put children first. I am so proud of what we've achieved together for children and to know what strong hands will carry forward the charity's crucial work to make sure that every child can stay safe, loved and well in their own family.



Dr Ken Cunningham CBE
Chair
Children 1st Board of Management

Report of the Board

The Board presents the annual report and financial statements for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Objects and Activities

The objects of the Charity as set out in the Royal Charter are:

- To prevent abuse and neglect of children and
- To assist the recovery of children from abuse and neglect.

Vision

A happy, healthy, safe and secure childhood for every child and young person in Scotland.

Mission

By 2023, our vision is that children in Scotland will be safer, will grow up in strong, resilient families and will have access to early help and support when they need it. They will have their rights protected in all areas of their lives. Prevention of harm to children, stronger, more resilient families and communities, greater respect for children's rights and strong partnerships and community engagement will be our measures of success.

Achievements and Performance

Delivering our Strategic Priorities

Children 1st seek to realise our vision of a Scotland where every child can grow up happy, health, safe and secure in their own family by delivering on four strategic priorities:

- Preventing children from experiencing harm;
- Protecting children, families and their rights;
- Supporting children and families to recover from trauma, neglect, violence and abuse;
- Building our organisational resilience.

The charity delivers on these through two intertwining strands of activity. Firstly, through the practical, emotional and financial support we offer individual children and families in their homes, schools and local communities to prevent them from reaching crisis, to protect them from harm and to support them to recover from trauma and abuse. Secondly, by working with decision-makers, other professionals, partners and funders to bring about transformational change so that systems and practice uphold the rights of every child and family in Scotland based on what families tell us they want and need.

Prevention

Offering Practical, Emotional and Financial Digital Family Support

At Children 1st we believe that children do well, when families do well. Children 1st Parentline continued to offer support to families across Scotland at a touch of a button, offering 5,490 support sessions in 2021/2022. During the year, the Children 1st Parentline team have seen an increasing level of complexity in the circumstances and issues faced by families who have reached out for support. The top three reasons families reached out for support were their family's emotional wellbeing, family relationships and children's behaviour. Many of the families we supported shared their concerns that their child's distressed behaviour was a direct result of their experiences of isolation and loss during the pandemic.

Local Children 1st money advice teams continued to work alongside Children 1st Parentline to offer their support to families across Scotland. Over the winter the teams, again, offered financial support to families we weren't already working with, distributing Scottish Government winter recovery fund monies to families struggling to meet their children's basic needs.

Over the course of the year money advice teams put £590,000 back into families' pockets and helped families manage over £41,000 of debt.

Keeping children safe and loved at home and in communities

Alongside our Scotland-wide services, Children 1st Parentline, Children 1st Safeguarders Panel Team and Children 1st Child Protection and Wellbeing in Sport the charity offered prevention, protection and recovery support to children and families across 15 local authorities in Scotland in 2021/2022, an increase of two, compared to the previous year. With the gradual easing of pandemic restrictions during the year, Children 1st family support teams were able to see many more children and families face to face.

Making sure that families have strong support networks in their local community, can be an important way of helping to keep children safe from harm. With many children and families experiencing record levels of isolation over the last few years, the reduction in pandemic restrictions enabled the charity to increase our face-to-face group activities by 90% compared to the previous year, helping families to address loneliness, to build supportive connections with peers and feel confident reaching out for additional support.

Offering group activities that families want and that feel accessible and non-stigmatising can be a positive way to introduce families to a greater level of practical, financial and emotional support. Activities like our supper club in Midlothian, our Fitlike summer programme in Aberdeen, or the Food Pantry in South Ayrshire help us to establish a more trusting relationship with families, giving them confidence to reach out for trauma-informed, more intensive support to address the complex challenges they face.

Protection

Offering rights-based services

Across all our services, children and families report that the greatest impact on their lives from working with Children 1st has been in improving their family relationships, improving their children's emotional health and keeping their children safer.

Upholding the Promise, that wherever it is safe to do so children will stay with their families and families will be actively supported to stay together, is what underpins the design and delivery of all

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of the support that we offer. In the Scottish Borders we began to develop new supports for brothers and sisters, who have to live apart, so that they continue to enjoy a strong relationship with each other.

Children 1st continued to lead the development of Family Group Decision Making (FGDM) in Scotland. Family Group Decision Making helps a child's wider family to come together to agree a family plan to support their child, before a life-changing decision is made about the child's future. In 2021/22 we increased the number of family group decision making meetings by 27% compared to the previous year, while continuing to provide training and support to help other statutory agencies and partners to offer Family Group Decision Making to families they work alongside.

Ensuring children and family's voices are heard in the decisions that affect them

Listening to and responding to the needs of children, young people and their families is at the heart of everything we do. Over the year, we have made sure that children and families are at the centre of decisions about the development of Scotland's first Bairn's Hoose, which will offer all the support child victims and witnesses need under one roof. We published, "Sharing Stories for Change" which brings together the views of children and young people who have been victims of crime. We also brought together a group of young people, Changemakers, who are continuing to shape both our Bairns' Hoose pilot and future policy developments across Scotland. Thanks to players of People's Postcode Lottery, whose support is making Bairn's Hoose possible, two young people, who we are working with, recorded Sophie's song, which shares Sophie's experience of being a victim of crime and her traumatic experience of going through the criminal justice system. Sophie's song has been shared with decision-makers and policy influencers to build support for Bairn's Hoose.

During the year Children 1st Safeguarders Panel Team, who manage Safeguarders on behalf of the Scottish Government, introduced new resources and webpages to support children and families, who may be involved with a Safeguarder. A Safeguarder is an independent role, who can support a court or Children's Hearing to make a decision in the best interest of a child or young person. Through the webpages and the resources, the Team are supporting children and families to understand how Safeguarders should work with them and what to do if they have any concerns about a Safeguarder. The team worked with young people, who have been involved with Children's Hearings, involving them in all aspects of the planning, shortlisting, training and assessment of the new Safeguarders who were appointed this year.

Working with communities and partners across Scotland

Children 1st Child Wellbeing and Protection in Sport continued to support sports' governing bodies to keep children safe from harm and to advance their wellbeing through sport. In January 2022, in partnership with SportScotland, the team launched a new online self-assessment and planning tool to help sports clubs and organisations to continuously improve how they work to make sure that children and young people of all ages can take part in safe and fun sporting activities at all levels, in a way that upholds their rights and increases their wellbeing.

During the year we began a partnership with Intercultural Youth Scotland, the country's leading charity for Black and People of Colour youth. Through the partnership, Intercultural Youth Scotland are supporting and challenging Children 1st to continue progression towards becoming an anti-racist charity and Children 1st are supporting IYS with areas they have identified for development, for example building a new finance system.

For the second year running, we worked with the Scottish Government, to distribute winter support fund money directly into the pockets of children and families. Through the funding we supported over 2,500 families with their immediate financial needs. As well as providing immediate relief with

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financial difficulties, the partnership offers a doorway to longer term financial support for families, through our money advice team, who can support families with accessing benefits and managing their debt.

As pandemic restrictions eased, we were able to renew our partnership with Ardroy Outdoor Education Centre, supporting families we work alongside to increase their wellbeing and build stronger relationships during residential outdoor weekends in the wilds of Scotland. Families who have already experienced Bide Oot say it has helped them strengthen relationships, built their confidence and had a long-term positive impact on their mental health, relationships, and emotional wellbeing.

We were also delighted to continue our partnership with Dolly Parton's Imagination Library. With support from the public, the partnership enables us to gift a free book to children every month until their fifth birthday and to connect their families to an offer of wider practical, emotional and financial help through Children 1st. By the end of 2021/2022 around 500 children in Scotland were currently receiving books through the partnership.

Recovery

Developing directly accessible hubs based in communities

During 2021/2022 we continued to develop easily accessible, responsive supports for children and families, without waiting lists, wherever possible. For example, in East Renfrewshire, our Family Wellbeing Service, which provides an alternative to Children, Adolescent Mental Health Services (CAMHS) contacts 90% of families within two weeks of being referred by their GP. Most recent figures show that between June 2019 and May 21 the number of repeat presentations by children and young people at their GPs reduced by 63%.

Children 1st celebrated the first birthday of FitLike Aberdeen, a partnership combining education, social work, health, the Alcohol and Drugs Partnership, community learning and development and CAMHS with support from local organisations and partners. FitLike Aberdeen provides early, coordinated support designed to improve children's mental wellbeing. By taking a recovery focused approach which supports the whole family and empowers them to address wider challenges, FitLike realises the ambitions of the Promise, making sure families get the support they need to keep children where they are safe and loved.

Transforming the system of care and justice for child victims and witnesses.

In advance of the May 2021 Holyrood Elections, Children 1st influencing secured commitments from the majority of the country's main political parties to roll out Bairn's Hoose for child victims and witnesses. Following this work, we were delighted to welcome a commitment in the September Programme for Government to offer a Bairn's Hoose to every eligible child victim and witness by 2025. With our first Bairns Hoose to be situated in East Renfrewshire, we are working alongside children, young people and their families, the Children 1st Delivering the Vision Group, our International Research Advisory Group, the Scottish Government, Victim Support Scotland, the University of Edinburgh, Children England, People's Postcode Lottery, the Scottish Parliament and other professionals, academics and supporters to share the learning from our pilot to transform the system so every child victim and witness can get all the support they need through a Bairn's Hoose.

Resilience

During the year the charity began an ambitious project to transform our culture and practice in recording how we work alongside families. The Children 1st Relationships, Impact and Stories Project is replacing an ageing recording system, with a newly designed system and approach that supports our work with children and families, respects the rights of those whose data we hold and which will enable us to evidence the quality and impact of our work in an easy and straight forward way. The new system will be launched in August 2022.

Our 2021 annual Gender Pay Gap report reflected that while we remain confident that men and women are paid fairly and equally for the same or similar roles as supported by our role evaluation system, our higher salary bands, where fewer employees work part time, have more male employees than other salary bands in the charity. Over the year we worked with Flexibility Works and colleagues to promote the benefits of flexible working and to develop and roll out a set of flexible working guidelines. In the year ahead, exploring steps we can take to improve gender diversity, with a particular focus on leadership gender diversity and attracting and recruiting more men into frontline children's services roles, will be a priority.

Fundraising

Throughout 2021/2022 we continued to fundraise in a challenging environment with COVID restrictions continually changing, which in turn, led to events being cancelled and other planned activities postponed.

Despite these challenges, in the third year of our fundraising strategy, which aims to inspire people in Scotland to raise funds and to put children first, we raised a gross income of £4,100,000 with a net contribution to the Charities activities of just under £3,000,000 from donations and legacies - exceeding the target we set ourselves.

Children 1st continues to benefit from a broad portfolio of voluntary income streams. Community, events, workplace fundraising, and donor acquisition have been challenging, however, we've been able to sustain our support from corporate partnerships, charitable trusts, and individual donors.

Highlights from 2021/2022

As we emerge from this terrible pandemic, we know that we will need a varied fundraising portfolio with activities and propositions which will engage and excite our audiences. Over the past year we've tested some new activity and formed new partnerships as we worked creatively to raise funds.

Highlights from the year included:

A partnership with the Dollywood Foundation UK which has enabled Children 1st to provide books to children aged under 5. The First Minister Nicola Sturgeon MSP, the singer Eddi Reader, the musician Tom Urie, comedian Sanjeev Kohli and former footballer Gordon Smith have been some of the famous faces to read a monthly bedtime story and encourage individuals to donate monthly to fund the programme.

With the Scotland men's national team participating in the football European Championships, we worked with our partner the Scottish Football Association to run a range of activities including the 'Scotland HQ Live' fundraising appeal and the Kits for Kids initiative, which thanks to fundraising from the Terrace podcast, provided free Scotland kits and balls to 500 children supported by Children 1st.

We tested new fundraising activities including the Let the Kids Win - Scavenger Hunt, which resulted in hundreds of families with young children registering to take part, and our first

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Facebook fundraising challenge which saw supporters walking 12,000 steps a day every day during the month of February.

Grateful thanks

Words cannot do justice to how grateful we are to the players of the People's Postcode Lottery who donated £975,000 to support our services across Scotland. We are indebted to the ongoing support we receive which now totals £9,600,000 since their first donation in 2008. Their consistent annual support is significant and has enabled Children 1st to sustain core established services as well as support the planning of new services, helping to reach more children.

We are grateful to benefit from committed support from organisations such as Deloitte, as part of their Five Million Future strategy, from the Scottish Football Association and we are delighted to welcome new partners, including the Weir Group, to the Children 1st family and look forward to working with them to deliver their ambitions. Further thanks go to organisations who have supported us through our corporate Christmas campaign such as Gilead Sciences and to EY and Capco who participated in our Dragons Glen entrepreneurial challenge.

A special thanks to The Robertson Trust, STV Children's Appeal, Northwood Charitable Trust, Comic Relief, The National Lottery Community Fund, William Grant Foundation, and the Cattanach Charitable Trust who continue to partner with us to fund services and projects across Scotland.

Our commitment to best practice

We are incredibly grateful to everyone who chooses to support Children 1st. All our fundraisers, fundraising policies, and activities, fully comply with the Code of Fundraising Practice. We are committed to delivering the very best experience to our donors and supporters.

All fundraising staff are inducted into these policies which are reviewed, formally, at least every two years. Staff training is undertaken externally by attendance at Chartered Institute of Fundraising events and internally within teams and at our team meetings.

Children 1st takes a measured approach to donor engagement and development in that for the vast majority of cases we only contact those who have supported the organisation previously. Occasionally, we undertake direct marketing where we contract a professional fundraising agency to work on behalf of Children 1st, abiding by our own fundraising policy. Fundraising activity is undertaken by employees of the organisation in accordance with our values, however we also have a number of volunteer groups across Scotland who share our values and who work with us to raise funds on our behalf. During the year we received three complaints (2021: Nil) relating to fundraising activity, any complaints are resolved in line with our complaints policy and procedure.

Volunteers

Volunteers are at the heart of Children 1st, contributing to delivery services to children and bringing valuable experience and knowledge. Without them we would not reach so many children and young people and could not raise the funds we need to deliver our services.

We are incredibly grateful to the 84 fundraising volunteers and the 9 volunteer Children 1st Action Groups who supported the charity this year. It has been another very difficult year for our volunteers, who have been desperate to support but the COVID19 pandemic and restrictions limited what they were able to do. Some of our Action Groups have lost members and our opportunities for volunteers to participate in activity was still lower than pre-covid times hence the reduction in active volunteer numbers.

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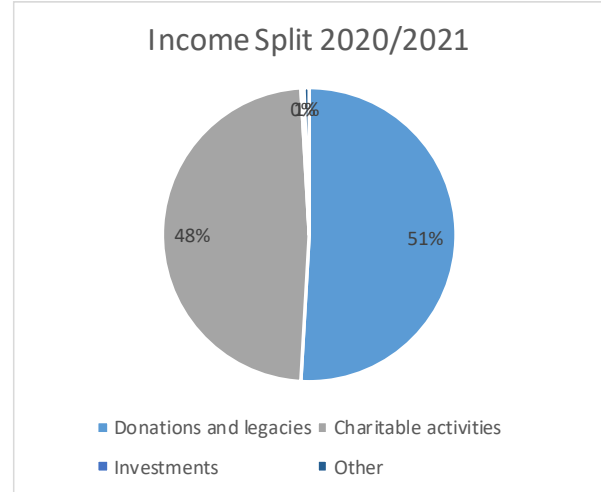
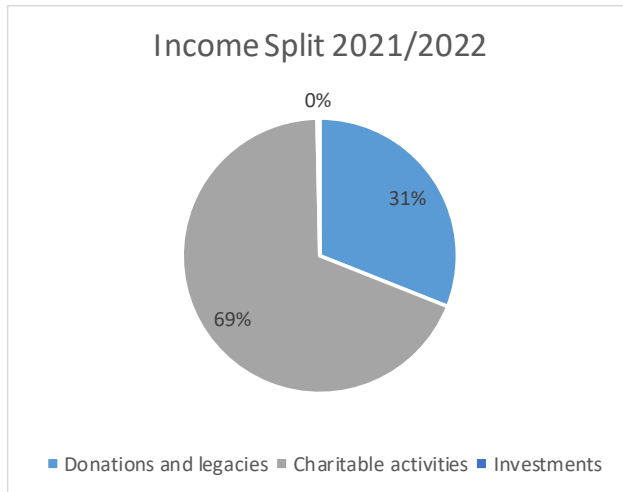
Our grateful thanks go to the members of the Perth and Linlithgow Actions Groups, both groups have supported Children 1st for more than 30 years and closed this year.

Over the year we were supported by fundraising volunteers, who raised £48,180 in total.

Although not reflected in the financial statements, the annual hours donated by volunteers was approximately 3,285 hours which equates to approximately £32,522 in value (based on a living wage of £9.90 per hour).

Financial Review

Income from donations and legacies has decreased 43% on the previous year from £7,321,000 to £4,148,000, the figure for 2020/2021 included an exceptional one-off legacy of £2,400,000. In 2021/2022 we have included £133,000 (2021: £108,000) of donated services. Grant income increased by 31% from £6,929,000 to £9,056,000. Over £436,000 of this increase was due to the increase in the reimbursement to Safeguarders for fees and expenses under our management contract with the Scottish Government reflecting the return to normal operations by the Scottish Court Service. In addition, we saw a new service in South Lanarkshire, the first full year of operation of our new Aberdeen Service and increased partnership activity in West Lothian. The graphs below highlight this in that the percentage of total income from donations and legacies has decreased from 51% in 2020/2021 to 31% in 2021/2022. This decline reflects the exceptionally large legacy of £2,400,000 received in 2020/2021. The other income in 2021/2022 relates to income from the Government Job Retention Scheme, which formed less than 1% of our income for that year.



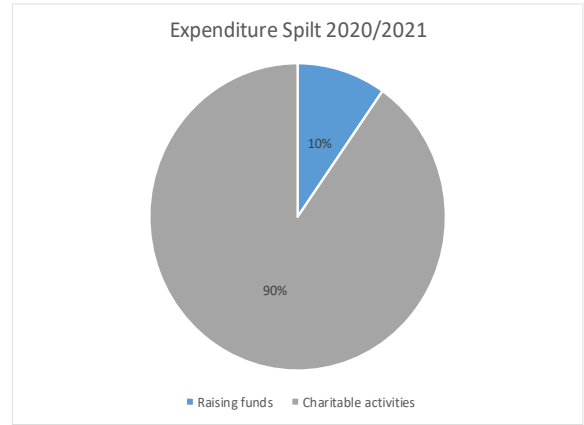
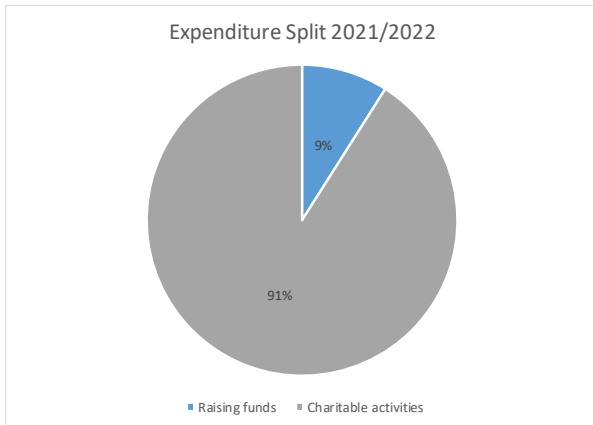
The value of our investment portfolio increased by £63,000 (3%) over the year to £1,924,000 from £1,861,000. In the last quarter of the financial year the value of our investments declined by just over 5% as financial markets reacted adversely to the economic crisis and the war in Ukraine. The underlying portfolio remains diversified and is managed within the framework of a moderate investment risk.

Expenditure on raising funds increased compared to the previous year as we came out of the various lockdowns in place due to the coronavirus. We were able to engage with our donors and supporters to a greater extent than in the previous year.

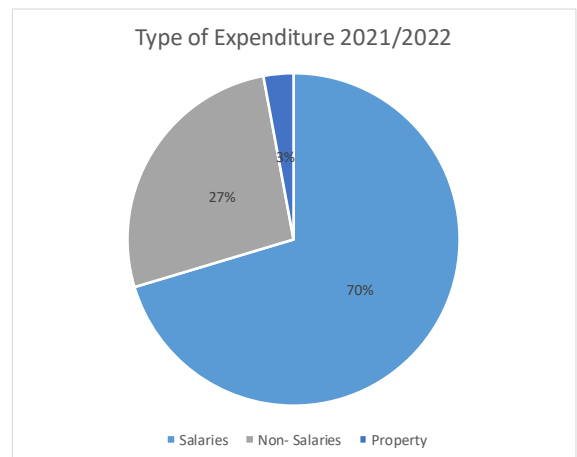
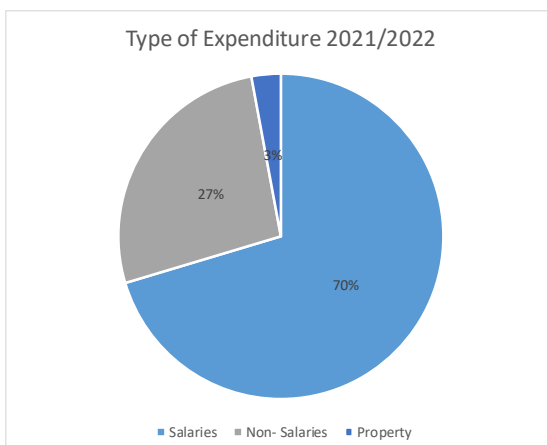
Expenditure on charitable activities increased by 27%, this includes the rise of £446,000 in fees and expenses paid to Safeguarders mentioned above. The increase was also due to the introduction of

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new services and increased activity in existing services. In addition, we were able to increase the practical support provided to children and families through funding received in response to our fundraising activities.



The percentage paid to staff remained the same despite the fact that we employed more staff in our services and due to the pandemic, our staff numbers increased by 19% to 242 FTE, from 204 FTE in the prior year. The static nature of this percentage is due to the increase in payments to Safeguarders referred to above.



The positive result this year has been achieved as society has started to see the end of the coronavirus pandemic and various lockdowns. The Charity has focused on its operations to support children and families in Scotland. We have continued to raise more funds than in recent years after allowing for the large legacy received in 2020/2021 and have raised funds to support both ongoing activities and in raising funds for those effected by the pandemic.

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

As at 31 March 2022, the charity's net assets on the balance sheet are £8,621,000 compared to £8,159,000 at 31 March 2021. The Board is satisfied that the financial position of the charity remains strong, with positive net current assets. The Board is also satisfied that the charity has a

diverse income stream with no over-reliance on any single income source. The design of the charity's wide offering of services also would allow flexibility in the eventuality that any single source of income is cut or withdrawn.

Reserves Policy

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

- ensure that commitments made to providing services to children in the form of contractual commitments to staff, premises and funding partners can be made with confidence;
- have sufficient available reserves to meet expenditure in the event of adverse circumstances;
- underpin the strategic aims of the period 2018-2023; and
- maintain the appropriate level of liquidity of the underlying reserves.

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

Unrestricted Funds

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

Our current unrestricted general reserves are £2,718,000 an increase of £32,000 compared to last year's position.

The Board has set a target to maintain unrestricted general and designated reserves (excluding the Fixed Asset Designated Reserve) to not less than three months relevant costs. This was deemed to be £3,041,000 from the budgeted expenditure figure, and the year-end total of unrestricted and designated funds (excluding the Fixed Asset Designated Reserve) equals £5,164,000 equating to 5 months of actual expenditure. Consequently, the year-end position exceeds this policy by £2,123,000. The Board recognises that this position is above its acceptable range of tolerance, however it expects that the proposed designated expenditure on major fixed asset projects in the forthcoming year will rectify this position.

Designated Funds

Designated funds totalling £3,952,000 are unrestricted funds which have been assigned by the charity for specific purposes in the future and includes the Fixed Assets designated reserve that covers the net book value of fixed assets: buildings, fixtures, vehicles, office equipment and information technology used by the charity in its work. The Board has designated funds to cover the funding of capital projects such as the acquisition and development of a further Child's House for Healing site, donor acquisition, service enhancements and the development of new digital and technology aids to support our work.

Restricted and Endowment Funds

Restricted funds can only be used for specific purposes agreed with the donor or funder. At the year-end these funds totalled £1,531,000 and include funds from local authorities across Scotland for service delivery in their regions and from other funders for specific service provision. Endowment funds totalled £52,000.

Investment Policy and Objectives

The Board has adopted an investment policy which enshrines the principles of prudence, caution, due care and attention, written authority and regular review. The investment policy is to protect capital value and maximise real long-term capital returns over time subject to holding a portfolio of cash, bond, and equity fund investments in order to diversify risk and reduce inflationary risk.

The market value of the investment portfolio has increased by nearly £63,000 over the year strong gains in the early months of the year were reduced in the last quarter of the year due to the impact of inflation, lower levels of growth and the war in Ukraine. The Board remains confident in the suitability of its investment strategy.

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

The investment portfolio is invested across a broad range of assets to protect capital value and maximise real long-term capital returns over time through the diversification of both income and potential capital gains. At the year end, the portfolio had 13% in fixed income, 73% in equities, with the balance split between alternative investments, commercial property and cash.

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

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

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

In addition, the Trustees wish to avoid direct investment into companies that have attracted Critical and High allegations related to child labour or forced labour within their own operations or supply chain. The Trustees also wish to avoid direct investment into companies that have been accused of Significant or Minor allegations related to child labour and forced labour where the response from the company has been Reactive or Uncommunicative.

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

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

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

Going Concern

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

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The Trustees have always been mindful of the need to have sufficient reserves and cash reserves to ensure the continued financial sustainability of the charity. At the year end the Charity had cash balances of just under £5.8 million and near-cash investments that can be easily liquidated of nearly £1.9 million. Of the £5.8 million, £2.4 million related to cash for designated projects that have not yet been carried out.

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

- Regular (quarterly) review of management accounts
- Regular (quarterly) review of rolling annual cashflow projections.
- Review of at least two full year reforecasts during a financial year.
- Approval of the annual budget of the charity which includes long-term financial projections to the end of the period of the Strategic Priorities of 31 March 2023.
- Review of the sustainability of the charity through financial projections examining reductions in the levels of fundraising where there is some degree of uncertainty of funding. This includes the impact of such dramatic and unlikely shortfalls on other areas of the charity such as services and corporate functions.

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

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

Risk Management

The Board has assessed the major risks to which the charity is exposed, and systems have been established to mitigate these risks. The Board and its Finance, Audit and Risk Committee review the risks facing the charity on a regular basis and have a detailed risk register with documented responsibilities and actions required. The most significant risk arises out of the nature of the work we do with vulnerable children and their families. We work to minimise this risk by ensuring that our staff are well trained, follow agreed policies and procedures and that case reviews are independently checked. Other key risk areas highlighted in the risk register are:

Risks associated with the failure to deliver our Strategic Priorities: we operate in a rapidly changing operating environment impacting on the charity in a number of ways; such as our Strategic Priorities not being in line with Central and Local Government policies and direction, and a lack of resources in the organisation. We aim to mitigate against these risks by having regular engagement with external parties and funders and with representation on a number of key strategic national and local groups. We also have a number of key strategies in place covering finance, human resources, information technology and quality with regular reporting and monitoring procedures across the organisation used to demonstrate progress against the delivery of our objectives.

Reputational risk: we aim to mitigate reputational risk by ensuring clear policies and standards are in place and regularly reviewed and appropriate training is given to the relevant staff and volunteers.

Children 1st
Report of the Board
For the Year ended 31 March 2022

Governance risk: we aim to reduce governance risks by ensuring there are recruitment and succession planning policies in place, a strategic plan is documented and reviewed and there is a key management structure to provide leadership to the charity.

Future Plans

We are aware that the coming years will continue to be challenging. This has become more acute given the path to economic recovery post-covid, the impact of inflation of families and the war in Ukraine. We review our resources on an ongoing basis and allied with careful budgeting and planning, we are confident that the financial resources available to the charity are adequate to meet its operational needs for the foreseeable future. Within our services, we will continue to focus on our four strategic priorities and the underpinning operational aims. Over the coming year we will produce our new strategic plan as our current Strategic Priorities plan ends at the end of March 2023.

Structure, Governance and Management

Children 1st was founded in 1884 under the title of the Royal Scottish Society for Prevention of Cruelty to Children (RSSPCC). Incorporated by Royal Charter in 1922, the charity is registered with HM Revenue and Customs and with the Office of the Scottish Charity Regulator (OSCR) under SCO16092. Amendments of the Royal Charter initiated at the 2021 Annual General Meeting in order to update the requirements surrounding membership of the charity were approved under seal by the Privy Council in February 2022.

Children 1st is a membership organisation with entry dependent on a pledge of support for the work of the charity through the gift of time, money, or both. There were 125 members of the charity at 31 March 2022.

Children 1st operates solely in Scotland but maintains close links with other children's charities and organisations across the UK.

The charity is governed by a Board of up to 15 elected members appointed at the Annual General Meeting, with the possibility of additional co-options during the year if required. The Board normally meets 4 times a year.

The skills and expertise of Board members in the fields of finance, law, child welfare, strategic planning, management, human resources, business, administration, strategic information and communication technology, local and central government and training reflect the current needs of the charity. The Board's skills mix is reviewed regularly to identify any gaps and new Board members are recruited by open advert, voluntary membership nomination or a combination of the two. All new trustees of the charity are elected at the annual general meeting following their appointment. Induction training is provided to all new trustees and a training needs assessment drawn up. Ongoing training and development is also provided to trustees throughout their term of office.

There are two subcommittees of the Board: Finance Audit and Risk and the Governance and Nominations Committee. Terms of reference for each subcommittee set out their roles and responsibilities. These subcommittees do not have any delegated Board authority and must make recommendations to the full Board for actionable matters.

Children 1st
Report of the Board
For the Year ended 31 March 2022

The Executive Leadership team comprises the Chief Executive and four Directors, who manage the day-to-day operations of the charity.

Our pay system is based upon pay bands and the pay band employees are in is dependent upon the “job weight” for their role. All roles have been assessed using our Role Evaluation System – this system ensures that roles are evaluated objectively and gives roles a score which is used to identify the band in which the job is placed. Our pay scales are linked to the Scottish Joint Council (SJC) Pay Scale.

Subsequent Events

In July 2022 Children 1st formally confirmed its participation in the Scottish Government's Redress Scheme that has been established for the provision of redress and compensation to people who suffered abuse as children while in care in accordance with the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021.

In March 2022, the Board of trustees made a decision to offer £100,000 to the Redress Scheme. This amount is represented within accruals in the financial statements on pages 24-26 (and subsequent notes).

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by the Board and signed on its behalf by:



Dr Ken Cunningham CBE
Chair
Date: 23rd August 2022

Independent Auditor's Report to the Trustees of Children 1st

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of Children 1st ("the Charity") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 report in accordance with the Act 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

Children 1st
Independent Auditor's Report
For the Year ended 31 March 2022

guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- reading minutes of meetings of those charged with governance and reviewing correspondence with regulatory bodies, HMRC and legal advisors to identify indications of non-compliance with laws and regulations;
- assessing the design and implementation of the control environment to identify areas of material weakness to focus the design of our testing;
- assessing the operating effectiveness of controls over the IT Systems relevant to financial reporting;
- determining whether the accounting policies and presentation adopted in the financial statements are in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice);
- identifying whether there are instances of potential bias in areas with significant degrees of judgement and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of a potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business;
- performing data analytics testing in order to recalculate key balances and identify anomalies to be investigated further; and
- carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence and accuracy of the reported financial statements

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Children 1st
Independent Auditor's Report
For the Year ended 31 March 2022

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the 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 and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Martin Gill

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Martin Gill

BDO LLP, statutory auditor

Edinburgh, United Kingdom

Date 19 September 2022

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Children 1st
Statement of Financial Activities (Incorporating Income and Expenditure Account)
For the Year ended 31 March 2022

	Notes	2022					2021	
		Unrestricted General Funds £000's	Unrestricted Designated Funds £000's	Unrestricted Revaluation Reserve £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's	Total £000's
Income and endowments from:								
Donations and legacies	4	3,429	-	-	719	-	4,148	7,321
Charitable activities	5	4,366	-	-	4,690	-	9,056	6,929
Investments		42	-	-	-	-	42	49
Other income		-	-	-	-	-	-	82
Total income		7,837	-	-	5,409	-	13,246	14,381
Expenditure on:								
Raising funds	7	131	-	-	1,029	-	1,160	988
Charitable activities	6	7,468	-	-	4,186	-	11,654	9,178
Total expenditure		7,599	-	-	5,215	-	12,814	10,166
Total income less expenditure		238	-	-	194	-	433	4,215
Net gains/ (losses) on investments		1	-	29	-	-	30	382
Net income/(expenditure)		239	-	29	194	-	462	4,597
Transfer between funds	22-24	(207)	238	(31)	-	-	-	-
Net movement in funds		32	238	(2)	194	-	462	4,597
Reconciliation of funds:								
Total funds brought forward		2,686	3,714	370	1,337	52	8,159	3,562
Total funds carried forward	19-24	2,718	3,952	368	1,531	52	8,621	8,159

The notes on pages 27 to 47 form part of these financial statements

Children 1st
Balance Sheet
As at 31 March 2022

		31 March 2022		31 March 2021
	Notes	£000's		£000's
Fixed Assets				
Tangible Assets	12	1,187		999
Intangible Assets	13	320		139
Investments	14	1,924		1,861
		<u>3,431</u>		<u>2,999</u>
Current Assets				
Debtors	15	1,595		3,225
Cash at bank and in hand	16	5,770		4,060
		<u>7,365</u>		<u>7,285</u>
Liabilities				
Creditors: Amounts falling due within one year	17	2,175		2,125
		<u>5,190</u>		<u>5,160</u>
Net current assets		<u>5,190</u>		<u>5,160</u>
Total net assets		<u><u>8,621</u></u>		<u><u>8,159</u></u>
The funds of the charity				
Restricted Funds	20	1,531		1,337
Endowment Fund	21	52		52
Unrestricted Funds	22	2,718	2,686	
Designated Funds	23	3,952	3,714	
Revaluation Reserve	24	368	370	
Total unrestricted funds		<u>7,038</u>		<u>6,770</u>
Total charity funds		<u><u>8,621</u></u>		<u><u>8,159</u></u>

The financial statements were authorised for issue by the Trustees on 23rd August 2022 and signed on their behalf by:



Dr Ken Cunningham CBE
Chair



Brian Davidson
Hon. Treasurer

The notes on pages 27 to 47 form part of these financial statements.

Children 1st
Statement of Cash Flows
For the Year ended 31 March 2022

	Notes	Year Ended 2022 £000's	Year Ended 2021 £000's
Net income/ (expenditure) for the period		462	4,597
Adjustments for			
Depreciation charge	12	90	88
Amortisation charge	13	58	59
Losses/ (gains) on Investments		(29)	(382)
Dividends, interest and rents from investments		(42)	(50)
Decrease/ (increase) in debtors		1,629	(2,500)
(Decrease)/ increase in creditors		50	945
Net cash flows from operating activities		<u>2,218</u>	<u>2,757</u>
Cash flows from investing activities			
Investment income		42	50
Purchase of property, plant and equipment	12	(278)	(4)
Purchase of intangible assets	13	(239)	-
Proceeds from sale of investments		221	289
Purchase of investments	14	(254)	(304)
Net cash used in investing activities		<u>(508)</u>	<u>31</u>
Change in cash and cash equivalents in the reporting period		1,710	2,788
Cash and cash equivalents at the beginning of the reporting period		4,060	1,272
Cash and cash equivalents at the end of the reporting period	16	<u>5,770</u>	<u>4,060</u>

The notes on pages 27 to 47 form part of these financial statements

1. ACCOUNTING POLICIES

a) Basis of preparation

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', effective 1 January 2019, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

b) Going concern

In December 2019, Covid-19 started circulating across the world and was declared a pandemic in March 2020. Despite the impact of the pandemic, the charity has continued to operate, albeit with changed working practices. The trustees have concluded that they do not believe that there is a material uncertainty over the going concern basis of preparation of the financial statements and are of the opinion that the charity can continue to meet its obligations as they fall due for the foreseeable future.

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

- Regular (quarterly) review of management accounts
- Regular (quarterly) review of rolling annual cashflow projections.
- Review of at least two full year reforecasts during a financial year.
- Approval of the annual budget of the charity to the end of the period of the Strategic Priorities of 31 March 2023.
- Review of the sustainability of the charity through financial projections examining reductions in the levels of fundraising where there is some degree of uncertainty of funding. This includes the impact of such dramatic and unlikely shortfalls on other areas of the charity such as services and corporate functions.

c) Recognition and allocation of income

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

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

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

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

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

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

d) Recognition and allocation of expenditure

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

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

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

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

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

e) Leases

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

f) Pensions

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

g) Taxation

No taxation is provided for given the charitable status.

h) Tangible fixed assets

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

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

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

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

i) Intangible fixed assets

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

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

Computer Software	– 25% straight line
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j) Investments

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

k) Financial assets and financial liabilities

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

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

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

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

l) Debtors

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

m) Cash and cash equivalents

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

n) Creditors

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

o) Funds

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

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

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

2. CRITICAL JUDGEMENTS AND ESTIMATES

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

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

Legacy income is measured at fair value, but where part of a legacy left to the charity includes property or shares to be sold, judgement is used to estimate the amount receivable. This judgement is usually based on the estimate of solicitors involved in the distribution of the estate.

Depreciation and amortisation of fixed assets are calculated based on a rate calculated to write off the cost less estimated residual value of each asset over its expected useful life.

Consideration is given to any potential impairment of fixed assets.

Children 1st
Notes to the Financial Statements
For the Year ended 31 March 2022

3. COMPARATIVE STATEMENTS OF FINANCIAL ACTIVITIES

	2021					Total £000's
	Unrestricted General Funds £000's	Unrestricted Revaluation Reserve £000's	Unrestricted Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	
Income and endowments from:						
Donations and legacies	5,505	-	-	1,816	-	7,321
Charitable activities	2,940	-	-	3,989	-	6,929
Investments	48	-	-	-	1	49
Other Income	82					82
Total income	8,575	-	-	5,805	1	14,381
Expenditure on:						
Raising funds	988	-	-	-	-	988
Charitable activities	4,501	-	-	4,676	1	9,178
Total expenditure	5,489	-	-	4,676	1	10,166
Total income less expenditure	3,086	-	-	1,129	-	4,215
Net gains/ (losses) on investments	6	-	376	-	-	382
Net income/(expenditure)	3,092	-	376	1,129	-	4,597
Transfer between funds	(2,498)	2,432	66	-	-	-
Net movement in funds	594	2,432	442	1,129	-	4,597

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4. DONATIONS AND LEGACIES

	2022 £000's	2021 £000's
Individuals and Community	545	687
Trusts, Organisations and Corporate Bodies	1,148	1,681
People's Postcode Lottery	975	1,589
Legacies (note 27)	1,347	3,256
Donated Services	133	108
Total donations and legacies	<u>4,148</u>	<u>7,321</u>

5. CHARITABLE ACTIVITIES

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

2022	Restricted £000's	Unrestricted £000's	2022 £000's	2021 £000's
Scottish Government	1,863	870	2,733	2,354
Local Authorities	939	2,913	3,852	2,146
Other Bodies	1,842	237	2,079	2,048
Services Income	<u>46</u>	<u>346</u>	<u>392</u>	<u>381</u>
Total	<u>4,690</u>	<u>4,366</u>	<u>9,056</u>	<u>6,929</u>

In the year, the charity received funding of £2,733,000 (2021: £2,354,000) from the Scottish Government. Of this, £1,358,000 (2021: £912,000) was the reimbursement of fees and expenses incurred by the members of the National Safeguarders' Panel. There were no unfulfilled conditions relating to Government grant income recognised.

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

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5. CHARITABLE ACTIVITIES (CONTINUED)

2021	Restricted	Unrestricted	2021
	£000's	£000's	£000's
Scottish Government	1,516	838	2,354
Local Authorities	610	1,536	2,146
Other Bodies	1,840	208	2,048
Services Income	<u>23</u>	<u>358</u>	<u>381</u>
Total	<u>3,989</u>	<u>2,940</u>	<u>6,929</u>

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6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs	Support Costs (Note 8)	Total 2022	Total 2021
2022	£000's	£000's	£000's	£000's
Employment costs	7,015	897	7,912	6,356
Other employment costs	143	77	220	122
Vehicle and travel costs	126	7	133	50
Property costs	245	115	360	354
Services costs	2,306	5	2,311	1,608
Office costs	237	258	495	453
Publicity costs	3	67	70	37
Professional fees	31	200	231	218
Other costs	-	(93)	(93)	(34)
Governance costs (note 9)	-	15	15	14
Total	<u>10,106</u>	<u>1,548</u>	<u>11,654</u>	<u>9,178</u>

Donated services of £130,000 are included within services costs.

	Direct Costs	Support Costs (Note 8)	Total 2021
2021	£000's	£000's	£000's
Employment costs	5,648	708	6,356
Other employment costs	81	41	122
Vehicle and travel costs	48	2	50
Property costs	290	64	354
Services costs	1,576	32	1,608
Office costs	215	238	453
Publicity costs	30	7	37
Professional fees	135	83	218
Other costs	-	(34)	(34)
Governance costs	2	12	14
Total	<u>8,025</u>	<u>1,153</u>	<u>9,178</u>

Donated services of £78,000 are included within services costs.

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7. EXPENDITURE ON RAISING FUNDS

	Direct Costs	Support Costs (Note 8)	Total 2022	Total 2021
2022	£000's	£000's	£000's	£000's
Employment costs	739	68	807	752
Other employment costs	58	6	64	18
Vehicle and travel costs	4	1	5	1
Property costs	19	8	27	37
Services costs	5	-	5	5
Office costs	46	19	65	59
Publicity costs	132	5	137	91
Professional fees	34	15	49	14
Other costs	6	(7)	1	11
Total	<u>1,043</u>	<u>115</u>	<u>1,160</u>	<u>988</u>

Donated services of £5,000 are included within publicity costs

	Direct Costs	Support Costs (Note 8)	Total 2021
2021	£000's	£000's	£000's
Employment costs	681	71,	752
Other employment costs	14	4	18
Vehicle and travel costs	1	-	1
Property costs	31	6	37
Services costs	2	3	5
Office costs	36	23	59
Publicity costs	90	1	91
Professional fees	6	8	14
Other costs	14	(3)	11
Total	<u>875</u>	<u>113</u>	<u>988</u>

Donated services of £3,000 are included within publicity costs.

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8. SUPPORT COSTS

2022	Services to Children & Families £000's	Raising Funds £000's	Governance Costs (Note 9) £000's	Total 2022 £000's	Total 2021 £000's
Employment costs	897	68	-	965	778
Other employment costs	77	6	-	83	45
Vehicle and travel costs	7	1	-	8	1
Property costs	115	8	-	123	70
Services costs	5	-	-	5	36
Office costs	258	19	-	277	262
Publicity costs	67	5	-	72	8
Professional fees	200	15	-	215	92
Other costs	(93)	(7)	15	(84)	(26)
Total	1,533	115	15	1,664	1,266

2021	Services to Children & Families £000's	Raising Funds £000's	Governance Costs (Note 9) £000's	Total 2021 £000's
Employment costs	708	71	-	778
Other employment costs	41	4	-	45
Vehicle and travel costs	2	-	-	1
Property costs	64	6	-	70
Services costs	33	3	-	36
Office costs	238	23	-	262
Publicity costs	7	1	-	8
Professional fees	83	8	-	92
Other costs	(34)	(3)	12	(26)
Total	1,142	113	12	1,266

Donated costs of £27,000 are included within professional fees

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9. GOVERNANCE COSTS

2022	Services to Children & Families £000's	Total 2022 £000's	Total 2021 £000's
Auditor's remuneration:			
- Audit fees	15	15	12
Other costs	-	-	-
Total	<u>15</u>	<u>15</u>	<u>12</u>

In the year, fees of £1,000 were paid over to the Charity's auditors in respect of non-audit services (£2021: £nil)

10. EMPLOYEE BENEFIT EXPENSES

	2022 £000's	2021 £000's
Wages and Salaries	7,352	5,941
Social Security Costs	693	540
Pension Costs - Defined Contribution Schemes	638	525
Other Employment Costs	36	102
	<u>8,719</u>	<u>7,108</u>

Redundancy and termination costs of £19,000 (2021: £35,000) were incurred in the year and are included within other employment costs. £nil of these costs were accrued at year end (2021: £nil).

There were three employees whose annual emoluments, excluding employer's pension contributions, were £60,000 or more (2021: 4). Two employee's emoluments fell within the £60,000 to £70,000 band (2021: 3), and the other employee fell within the £80,000 to £90,000 bracket (2021: 1)

The key management personnel of the charity comprise of the Chief Executive, Director of Children and Family Services, Director of Finance and Corporate Services and the Director of Fundraising and Business Development. The employee benefits for key management totalled £385,000 (2021: £354,000).

The average headcount for the year was 282 (2021: 277) and the average full-time equivalent was 242 (2021: 204).

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10. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

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

	2022	2021
Fundraising	16	17
Support	17	20
Children and Family Services	209	167
Total	242	204

Throughout the year, volunteers have continued to play a vital role in helping Children 1st carry out its work. This year we had 212 volunteers carrying out 128 roles as follows:

	2022	2021
Children and Family Services	49	52
Parentline	56	63
Fundraising	84	156
Board members	17	22
Specialist	6	-
Admin	-	3
Total	212	296

11. BOARD REMUNERATION AND EXPENSES

The Board (or any persons connected with them) were not paid, nor did they receive any other benefits from employment with the charity, nor did they receive payment for professional or other services supplied to the charity. Travel expenses of £110 (2021: £nil) were reimbursed to one Board member in the year (2021: £nil).

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

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12. TANGIBLE ASSETS

	Freehold Land & Buildings £000's	Leasehold Land & Buildings £000's	Fixtures & Office Equipment £000's	Computers £000's	Assets Under Construction £000's	Total £000's
Cost						
At 1 April 2021	1,420	88	459	606	-	2,573
Additions	-	-	-	-	278	278
Disposals	-	-	(382)	(519)		(901)
At 31 March 2022	1,420	88	77	87	278	1,950
Depreciation						
At 1 April 2021	525	43	449	557	-	1,574
Charge for the year	29	36	3	22	-	90
Disposals in year	-	-	(382)	(519)	-	(901)
At 31 March 2022	554	79	70	60	-	763
Net Book Value						
At 31 March 2022	866	9	7	27	278	1,187
At 31 March 2021	895	45	10	49	-	999

The additions in assets under construction column relates to capital expenditure on the Bairns Hoose project. There will be no depreciation charged until the property is in full use.

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13. INTANGIBLE ASSETS

	Computer Software	Assets Under Construction	Total
	£000's	£000's	£000's
Cost			
At 1 April 2021	455	-	455
Additions	1	238	239
At 31 March 2022	<u>456</u>	<u>238,</u>	<u>694</u>
Amortisation			
At 1 April 2021	316	-	316
Charge for the year	58	-	58
At 31 March 2021	<u>374</u>	<u>-</u>	<u>374</u>
Net Book Value			
At 31 March 2022	<u>82</u>	<u>238</u>	<u>320</u>
At 31 March 2021	<u>139</u>	<u>-</u>	<u>139</u>

The additions in assets under construction relates to our new relationship recording system, CRISP, which will be launched in October 2022, replacing the previous IMS system.

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14. INVESTMENTS

	2022 £000's	2021 £000's
Quoted Investments		
Market value as at 1 April 2021	1,861	1,464
Disposals during the year	(220)	(283)
Additions during the year	254	304
Unrealised (losses)/ gains on investments	29	376
Market value at 31 March 2022	1,924	1,861
Cash as part of portfolio (note 16)	38	40
Balance carried forward at 31 March 2022	1,962	1,901

One (2020: 2) investments individually exceed 5% of the portfolio:
JP Morgan US Equity Income Fund valued at £152,000 (2021: £128,000)

Investments were split as follows:

Asset Allocation	2022		2021	
	£000's	%	£000's	%
Fixed income	255	13%	254	13%
Equities	1,433	73%	1,427	75%
Alternatives	176	9%	180	9%
Cash	38	2%	40	2%
Other	60	3%	-	0%
	1,962		1,901	

	2022 £000's	2021 £000's
Historical cost of investments	1,556	1,530
Cash held for investments	38	40
	1,594	1,570

15. DEBTORS

	2022 £000's	2021 £000's
Trade debtors	988	443
Sundry debtors	1	2
Prepayments	103	81
Accrued income	503	2,699
	1,595	3,225

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16. CASH AND CASH EQUIVALENTS

	2022 £000's	2021 £000's
Cash at bank and in hand	5,732	4,020
Cash as part of the investment portfolio	38	40
	<u>5,770</u>	<u>4,060</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £000's	2021 £000's
Trade creditors	334	271
Pensions creditor	65	55
Other creditors	1	300
Accruals and deferred Income	1,162	966
Taxation and social security	613	533
	<u>2,175</u>	<u>2,125</u>

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

	2022 £000's	2021 £000's
Opening balance	849	494
Income deferred	679	849
Income recognised	(845)	(494)
Closing balance	<u>683</u>	<u>849</u>

18. FINANCIAL ASSETS AND LIABILITIES

	2022 £000's	2021 £000's
Financial assets at fair value	1,923	1,861
Financial assets at amortised cost	7,262	7,204
Financial liabilities at amortised cost	(812)	(742)

Financial assets at fair value comprise quoted investments.

Financial assets at amortised cost comprise all debtors (excluding prepayments) plus cash at bank and in hand.

Financial liabilities at amortised cost comprise all creditors (excluding taxation, social security and deferred income).

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19. ANALYSIS OF NET ASSETS BY FUNDS

The fund balances at 31 March 2022 are represented by

	Unrestricted General Funds	Unrestricted Designated Funds	Unrestricted Revaluation Funds	Restricted Funds	Endowment Funds	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Fixed Assets	-	1,507	-	-	-	1,507
Investments	1,556	-	368	-	-	1,924
Net Current Assets	1,162	2,445	-	1,531	52	5,190
As at 31 March 2022	2,718	3,952	368	1,531	52	8,621

The fund balances at 31 March 2021 are represented by

	Unrestricted General Funds	Unrestricted Designated Funds	Unrestricted Revaluation Funds	Restricted Funds	Endowment Funds	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Fixed Assets	-	1,138	-	-	-	1,138
Investments	1,530	-	370	-	-	1,900
Net Current Assets	1,156	2,576	-	1,337	52	5,121
As at 31 March 2021	2,686	3,714	370	1,337	52	8,159

20. RESTRICTED FUNDS

2022	Balance at 1 April 2021	Income	Expenditure	Balance at 31 March 2022
	£000's	£000's	£000's	£000's
Local Authority Funds - various	117	939	(924)	132
Scottish Government - various	140	1,864	(2004)	-
People's Postcode Lottery Dream Trust	742	-	(79)	663
Robertson Trust	-	348	(348)	-
Capital City Partnership	-	423	(423)	-
Corra Foundation	26	505	(531)	-
Other Funds	312	1,330	(906)	736
Total Restricted Funds	1,337	5,409	(5,215)	1,531

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2021	Balance at 1 April 2020 £000's	Income £000's	Expenditure £000's	Balance at 31 March 2021 £000's
Local Authority Funds - various	85	610	(578)	117
Scottish Government - various	-	1,516	(1,376)	140
People's Postcode Lottery Dream Trust		750	(8)	742
Robertson Trust	-	348	(348)	-
Capital City Partnership	-	345	(345)	-
Corra Foundation	-	494	(468)	26
Other Funds	123	1,742	(1,553)	312
Total Restricted Funds	208	5,805	(4,676)	1,337

20. RESTRICTED FUNDS (CONTINUED)

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

Local Authority funds

Restricted funding is received from a number of Local Authorities to deliver services to Children and Families

Scottish Government

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

People's Postcode Lottery

Funding received to lead a test, learn and develop project to create Britain's first 'Child's House for Healing' - a child-friendly, safe and welcoming place for children to go to, as an alternative to court.

The Robertson Trust

Funding received to support families where a child or young person is experiencing emotional wellbeing or mental health difficulties in East Renfrewshire

Corra Foundation

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

Capital City Partnership

Funding was received to provide a blended support offer of Money Advice, Family Support and Employability to families living in poverty.

Other funds consist of several smaller funds from a number of funders for specific projects. There

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are no funds greater than £150,000 not separately disclosed.

21. ENDOWMENT FUNDS

2022	Balance at 1 April 2021	Income	Expenditure	Balance at 31 March 2022
	£000's	£000's	£000's	£000's
MacLagan Bequest	52	-	-	52

2021	Balance at 1 April 2020	Income	Expenditure	Balance at 31 March 2021
	£000's	£000's	£000's	£000's
MacLagan Bequest	52	1	(1)	52

The endowment fund earned interest of £5 (2021: £1,000) which was spent on providing services to vulnerable children and their families. The bequest was received in 1992 with the terms being that Children 1st were to hold the funds in trust for the sole purpose of generating income.

22. UNRESTRICTED FUNDS

2022	Balance at 1 April 2021	Income	Expenditure	Net gains on investments	Transfers In / (out)	Balance at 31 March 2022
	£000's	£000's	£000's	£000's	£000's	£000's
Unrestricted Funds	2,686	7,837	(7,599)	1	(207)	2,718

2021	Balance at 1 April 2020	Income	Expenditure	Neg gains on investments	Transfers In / (out)	Balance at 31 March 2021
	£000's	£000's	£000's	£000's	£000's	£000's
Unrestricted Funds	2,093	8,574	(5,489)	6	(2,498)	2,686

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23. DESIGNATED FUNDS

2022	Balance at 1 April 2021 £000's	Income £000's	Expenditure £000's	Transfers In / (out) £000's	Balance at 31 March 2022 £000's
Fixed Assets	1,138	-	-	369	1,507
Investment in Developing Services to Children	2,576	-	-	(131)	2,445
Total Designated Funds	3,714	-	-	238	3,952

2021	Balance at 1 April 2020 £000's	Income £000's	Expenditure £000's	Transfers In / (out) £000's	Balance at 31 March 2021 £000's
Fixed Assets	1,282	-	-	(144)	1,138
Investment in Developing Services to Children	-	-	-	2,576	2,576
Total Designated Funds	1,282	-	-	2,433	3,714

The Fixed Assets designated reserve comprises £1,507,000 to cover the book value of fixed assets: buildings, fixtures, vehicles, office equipment and information technology used by the charity in its work. The transfer to general funds represents the net movement of fixed assets, arising from additions, disposals and depreciation charges. This year the Board has designated funds to carry out major capital and infrastructure projects in line with our strategic ambitions and goals. This includes future Houses for Healing / Barnabus, scaling our money advice work to support families across Scotland and work to improve our research and evidence to ensure our work has the maximum impact to the lives of children and families.

24. REVALUATION RESERVE

2022	Balance at 1 April 2021 £000's	Gains on investments £000's	Transfers In / (out) £000's	Balance at 31 March 2022 £000's
Revaluation	370	29	(31)	368

2021	Balance at 1 April 2020 £000's	Gains on investments £000's	Transfers In / (out) £000's	Balance at 31 March 2021 £000's
Revaluation	(72)	376	66	370

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

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25. OPERATING LEASES

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

	2022 £000's	2021 £000's
Not later than one year	54	106
Within two to five years	102	113
Later than five years	-	1
	156	220

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

Operating lease expenditure charged in the year was £118,000 (2021: £144,000)

26. NET DEBT RECONCILIATION

2021	Balance at 1 April 2021 £000's	Cash flows £000's	Balance at 31 March 2022 £000's
Cash at bank and in hand	4,060	1,710	5,770

2021	Balance at 1 April 2020 £000's	Cash flows £000's	Balance at 31 March 2021 £000's
Cash at bank and in hand	1,272	2,788	4,060

27. LEGACIES

	2022 £000's	2021 £000's
Legacies receivable in year	1,347	3,256

In 2022, legacies were receivable from 44 legators (2021: 49)

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

28. SUBSEQUENT EVENTS

In July 2022 Children 1st formally confirmed its participation in the Scottish Government's Redress Scheme that has been established for the provision of redress and compensation to people who suffered abuse as children while in care in accordance with the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021.