

Annual Accounts

Director's Report & Financial Statements for
the Year Ended 31st March 2024



includem 

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Reference & Administrative Details of the Charity, it's Directors and Advisors for the Year Ended 31st March 2024

Directors	<p>Iain Forbes OBE, Chair John Fanning, Vice Chair Bruce Marks, Treasurer & Secretary Stuart Kennedy Kevin O'Hare Donna Bell CBE Kirsty MacArthur Jacqueline Cassidy appointed 19th June 2023 Lesley Taylor appointed 19th June 2023 Mike Stevenson appointed 19th June 2023 Hannah Paylor appointed 4th December 2023 Mel Kinsella appointed 18th March 2024 David Brown resigned 19th June 2023 Morag Gunion resigned 4th December 2023 Stephen McNeill resigned 4th December 2023</p>
Company Registered Number	SC207985
Charity Registered Number	SC030233
Registered Office	Unit 6000 Academy Business Park Gower Street Glasgow G51 1PR
Company Secretary	Bruce Marks
Chief Executive Officer	Martin Dorchester
Independent Auditor	Chiene + Tait LLP (trading as CT) Chartered Accountants 61 Dublin Street Edinburgh EH3 6NL
Bankers	The Royal Bank of Scotland 10 Gordon Street Glasgow G1 3PL
Solicitors	Burness Paull 120 Bothwell Street Glasgow G2 7Jl

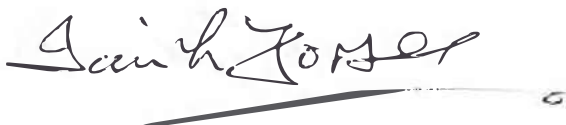
Chair & Chief Executive's Statement for the Year Ended 31st March 2024

Chair's Introduction

Our Chief Executive, Martin Dorchester, has given in his report a very comprehensive review of our last full financial year which highlights both the numerous challenges we faced and the successes we achieved despite difficult operating circumstances. I am very pleased to confirm that the strategic objectives we set in 2020, and regularly review, are being met. These include widening the services includem offer, procuring contracts in more geographic areas in Scotland, producing meaningful research and ensuring the voices of the young people and families we support are heard.

There continues to be a highly challenging funding landscape in Scotland as well as the rest of the UK. Whilst acknowledging this applies to the Scottish Government, Local Authorities and most statutory organisations, including the NHS, the Charity and Voluntary sector always seems to be asked to bear the brunt of cuts to funding. Our sector is often referred to as The Third Sector behind the Public and Private Sectors. Sometimes it really feels as if we are regarded as The Third-Class Sector. Would most public and private sector organisations be able to survive if they were told they were to be paid up to three months in arrears for contracted services already delivered? Where is the logic and fairness when some statutory organisations who fund most of our sector give their own staff benefits and annual wage increases whilst refusing to build similar annual increases into contracts lasting up to five years for organisations such as includem? How can we prove to our funders our services are making the vital difference they are seeking if the contracts include no recognition of the fact we must pay for research and analysis as well as other vital resources such as HR, IT, Financial Services and Communications? I like the current move by the Scottish Council for Voluntary Organisations to have our sector known as the Essential Sector because that is what we are. Our research and the voices of the young people and families we support show just how much our services are needed and appreciated—now more than ever.

I would like to give my heartfelt thanks to all the staff at includem— the senior executive team, all the managers, frontline and office-based staff for their tireless work and genuine commitment to making a vital difference to the lives of the children, young people and families we support. To my fellow trustees I owe you a debt of gratitude for voluntarily bringing your time, skills and experience to the Board of includem to ensure the organisation is well governed and achieves its agreed objectives.



Iain M Forbes OBE

Chair

Date: 02/12/2024

Chair & Chief Executive's Statement (continued) for the Year Ended 31st March 2024

Chief Executive's Statement

“Our mission is to provide the support children and young people need to make positive changes in their lives, and to inspire a more hopeful future for children, young people, their families and communities.”

During this fiscal year our mission remains our core focus as we believe the children, young people, families and communities we support deserve nothing less. We entered 2023/24 against a backdrop of a loss in 2022/23, continuing high inflation globally and an ongoing Cost-of-Living crisis with families struggling to afford the daily basics and feeling the impacts of poverty. In many ways this has cast a long shadow over our performance this year but it highlights how well the organisation has performed in terms of real adversity, not just for us but for the children, young people, families and communities we support. In times of great political change and global economic crisis includem have seen the most deprived and poorest communities suffer the greatest and requiring the most help.

Funding is reduced or tightened, and the labour market has become much more challenging in terms of recruitment and retention. Includem, as with other organisations, have faced into short termism regarding funding and contract awards. In addition to normal pressures the lack of uplifts (inflation, real living wage, core costs) and the inclusion of salary commitments alongside community benefits have amplified the fiscal pressures. These tensions have meant that planning has been very difficult, and being proactive, rather than reactive, has been almost impossible.

To combat this includem have continued to focus on our business objectives, been agile in our delivery, developed new skills and learning, increased our core capability and recruited great people. We have focused on supporting the children, young people and families and used our flexibility to support the ongoing crisis of unmet demand for services that we have especially seen through our RESPONSE work.

Our key business objectives have been continuously tested and reviewed by the organisation. In the current economic climate, we have found them to be valid and robust and they have stood us in good stead. In terms of our fiscal performance, we have delivered:

- revenue growth year on year by 8%
- loss after investments was reduced year on year by £87k
- Winning 2 major Local Authority contracts with multi-year funding

Chair & Chief Executive's Statement (continued) for the Year Ended 31st March 2024

To deliver our revenue growth we have continued to work hard on building and developing our contract and funding base while attempting to diversify into other areas. Although required this brings extra levels of complexity, cost and capacity to deliver.

As is the includem way for our children, young people and families, we have continued to be proactive in our support and diligent in our research. We have continued to give voice to the families and communities we work with and woven the voice of lived experience throughout our practice and our research. Whether through direct employment, focus groups, peer research or other forms of engagement we strive to fund vital research and insight. Listed below is some of the research, insight, and reports we produced in 2023/24 and the quality and validity of this is truly excellent:

LACK: Housing, Care and Isolation - June 2023

Movement Restriction Condition (MRC) Supports Across Scotland - April 2024

Care Leavers Payment Consultation - January 2024

Wellbeing & Sustainable Development (Scotland) Bill Consultation – April 2023

Care and Justice Bill Consultation - March 2023

Over the year we have recruited and developed our research and evaluation capability. Includem employees and respected academics now make up our team and this is allowing us to generate deeper, stronger and more certain insights into the life and experiences of the people we work with and support, as well as the policy impacts upon them. Our MRC research in 2023 was an exceptionally well written, well researched and salient example. Expect more of this quality as we progress. This enables us to talk with strength and certainty to the various bodies we work with and help inform future practice and strategy going forward.

Includem secured funding from The Promise during 2023/24 to recruit a team to work with the organisation and Local Authorities to not just deliver The Promise but to embed it into every Local Authority in Scotland. Although it is a small team it is highly effective and as they deliver, we will share that learning both internally and externally.

Having secured funding from the Scottish Government Whole Family Wellbeing Fund we grew our ADAPT programme over the year, enabling us to identify “gaps” in the justice system and set up pilots to deliver change. This puts includem on a pan-Scotland footing and we have and continue to engage with multiple Local Authorities, statutory bodies and communities. Our MRC research is a good example of the amazing work the team are doing and the insight this is creating. The programme has a further 12 months of funding, and we are working on multiple projects and pilots as we speak.

Chair & Chief Executive's Statement (continued) for the Year Ended 31st March 2024

We continue to work hard to grow our Young Person's Fund and had teams complete both the Kiltwalk and Great Scottish run (well done all who took part, not just the includem people). We also received over £6,000 in donations from organisations such as Drapers, Glasgow Academicals War Memorial Trust, St Columba's Episcopal Church and the Global Giving Foundation.

The organisation has a very strong Board of Trustees with a strong corporate governance model of board meetings supported by strategic committees as well as strategy days. Over the year we had a very successful recruitment culminating in the appointment of 4 new non-executive directors.

During the year we progressed work on our environmental sustainability. Working closely with MacArthur Green we planted 50 Aspens at Lochgilphead with a further 200 either planted or donated to the National Trust Scotland. Our aspiration for this coming year is to treble that number.

Looking forward, includem is building a strong base for future delivery in very testing times. As we head towards our 25th anniversary we will be revisiting and resetting our strategy by engaging with colleagues, children, young people and families as well as statutory bodies, funders and Local Authorities. This work will be set against a backdrop of a potentially new UK government, a Scottish Government budget shortfall and Local Authorities feeling the impact. Poverty and its effects are becoming more apparent as are the longer-term impacts of Covid-19. As well as these pressures there is a busy landscape for children, young people and families in terms of legislation with potential changes to the Children's Hearing System, The Age of Criminal responsibility, UNCRC incorporation and the removal of young people from Polmont YOI. With so much happening and resources increasingly stretched it looks like a very testing time for includem and the people we support.

A key focus for us over the next 12 months will be the ongoing delivery of our ADAPT project, funded by the Scottish Government on a national basis. We have multiple pilots running across a number of Local Authority areas as well as partnership working with organisations such as Children and Young People's Centre for Justice and the Violence Reduction Unit. We will also be looking at how we write up, validate and share our research and insight

Building on our work with The Promise will also be key. With a team now in place that work is moving on at a real pace both internally and externally. Learning around how this is successfully embedded will be developed and shared and we will also look at what other areas we could develop in.

Chair & Chief Executive's Statement (continued) for the Year Ended 31st March 2024

We will also seek to develop our health work over the next few years. Includem has long believed that better engagement between Health and Social Care is a positive route to take. Our work with the Multiple Risk Programme for Glasgow City Youth Health Service has delivered and continued to deliver significant change. We have commissioned research into this which will help us to build on this successful work and we will focus on growing our practice. Our aim will be to secure more contracts in this space and evidence the huge benefits of non-clinical interventions. Alongside and predicated on the learning from our work with venues we will also be looking more closely at how we develop this learning into our education work. Since our excellent work and research during the pandemic we have been looking at how we bridge the “gap” between communities and schools. We will be sharing our learning at various forums and developing a significant offering in this area.

Includem has long realised that investment in early and effective intervention is a positive move, but at the same time this potentially leaves many young people “stuck” in the here and now. As such we have developed includem RESPONSE. A national service to support children, young people and families through bespoke individualised packages of support. We will continue to gather learnings and develop our offering as it is becoming increasingly obvious that this service is desperately needed.

One of our key challenges over the past 5 years is the lack of other funding we receive, whether legacy funds, philanthropic investment or long-term core funding. We have recruited a Fund Manager and a Head of Development to develop this for the organisation and assist us in building a financially sustainable future.

Key to our future development is how we engage with and hear the voices of our young people. As such we have and continue to develop our participation practices and have started work on recruiting and putting into place a Youth Advisory Group. This will provide a key building block for us going forward to make sure we robustly test our strategy and practice and build learning.

I look forward to the coming year, as always it will be a challenging and difficult environment, but I believe the foundation for includem is now more solid and the right building blocks are in place for us to progress.

“Open your arms to change, but don’t let go of your values!” (Dalai Lama)



Martin Dorchester

Chief Executive Officer

Date: 2/12/24

Director's Report for the Year Ended 31st March 2024

The Directors present their annual report together with the audited financial statements of the Charity for the year 1 April 2023 to 31 March 2024. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Directors confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and Activities

Objectives and Aims

The Charity's objectives are:

To advance citizenship and community development, promote equality, advance education, and health, prevent poverty and relieve those in need, and in particular, but without limitation, by:

- Providing intensive community-based support for young people with significant needs and risks, as the result of, for example, trauma, abuse, offending or relationship breakdown with the aim of improving their quality of life and unlocking their potential.
- Providing support for parents, carers, and other family members to rebuild family relationships and prevent the breakdown of accommodation.
- Working in partnership with local authorities, health services and other advisory or community organisations, to facilitate access to a full range of support and information networks; and
- Contributing to knowledge and research on young people and the sector more generally by encouraging, promoting, and facilitating research into the impact and effectiveness of the Charity's activities.

Significant Activities

The Charity's main activity is supporting vulnerable, distressed, and complex children, young people and families through intensive, integrated, one to one support. We work with young people aged between 0 and 26, and their families and carers, who are subject to formal measures of care, have vulnerabilities or needs which may be provided in their own homes and in the wider community.

Director's Report (continued) for the Year Ended 31st March 2024

We have an established infrastructure in Glasgow, Fife, Stirling, Dundee and Aberdeen and a delivery footprint covering the East & West of Scotland, primarily working in areas of multiple deprivation, providing support 24/7, through the includem helpline.

Our work challenges young people to achieve positive sustained change in their behaviour and relationships so they can move towards leading fulfilling lives.

We believe young people are never beyond reach and that they require the support of a responsible service at their time of most need. By achieving better outcomes for young people, we improve family relationships, community safety, provide for better futures, reduce public spending and divert them from the justice system. As a result, we build strong communities, and the whole of society benefits.

Achievements and Performance

Charitable Activities

The Charity has been resolute in its commitment to engage, support and encourage the most vulnerable and disadvantaged children, young people, and families within communities in Scotland. This clear and defined purpose aligned with the steadfast assistance received from Local Authorities, grant funders, partners and stakeholders has ensured that the impact of our operations has been both wide reaching and empowering to the people whom it has supported into meaningful and life changing circumstances.

Includem has been supporting young people and their families for 24 years and has helped 1,149 young people this year.

The Board maintained the Charity's focus during 2023/24 on supporting individuals and key target groups with multiple challenges and continued providing services that support those needs. By focusing activity on key target groups, including those with multiple and complex needs, the Charity also continued to address its long-held commitment to support and engage with the most disadvantaged communities in Scotland by providing guidance, encouragement, and a route to social inclusion. This, in a number of circumstances, is extremely challenging and is only possible due to the range of support measures coordinated by includem and with the support of a network of partners.

Director's Report (continued) for the Year Ended 31st March 2024

Over the last 24 years includem has supported Fair Work Practices, through measures such as the adoption and accreditation of the Living Wage, supporting the Scottish Business Pledge and the introduction of people-friendly (flexible) working policies. We are also an accredited SCQF Inclusive Recruiter.

Includem continues to support community events to raise awareness of services available to the community by:

- Engaging local schools to promote services and widen participation by providing accessible opportunities.
- Hosting consultation events with local people to actively encourage co-production and help shape future service provision for the community.
- Promoting Diversity, Equity & Inclusion, the Living Wage and Fair Work Practices within the workplace.

The Care Inspectorate

Includem's last inspection was carried out before the national lockdown in February 2020 and was scored 'very good'. There has been no formal inspection since then. During lockdown we quickly adapted to a different way of engaging with the Care Inspectorate on an ongoing basis.

The senior services team has been meeting with our inspector on a quarterly basis which has enabled us to continue to develop the quality of our services but also our national reach and impact. Our inspector has praised includem for our response to the pandemic and ensuring services were delivered throughout the pandemic, particularly the speed at which we resumed face to face support to children, young people, and families once we had the guidance and risk assessment in place for staff.

The regular sharing of information has ensured the Care Inspectorate has seen the positive developments we have made in developing and expanding our service offer across Scotland, increasing the public voice of children, young people and families, through includem across a number of forums and national platforms and further embedding participation.

Our inspector was also very positive about the investment includem had made in additional staff, justice services and research to further evidence the need for includem support to children, young people, and families across Scotland. Although a formal inspection was not instructed by the Care Inspectorate during the 2023/24 financial year, we continue to be regarded as sector leaders and recognised as supporting the greatest number of young people in community based services across Scotland.

Director's Report (continued) for the Year Ended 31st March 2024

Financial Review

Results

Income for the year was £5,601,092 (2023: £5,192,959) reflecting new contracts and grant income, and expenditure was £5,705,647 (2023: 5,200,409). After net gains on investments of £94,118 (2023: net loss £89,620) a deficit of £10,437 is reported (2023: deficit £97,070).

Going Concern

After making appropriate enquiries, considering the Cost-of-Living increase and the stability of the Charity's income streams on the operations and financial resources of the Charity and preparing cash flow forecasts for the period of 15 months from the date of approval of the financial statements, the Board has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Investment Policy and Performance

Under the Memorandum and Articles of Association the Charity has the powers to invest funds not immediately required for the purposes of the Charity's activities in such investments and securities in any way the Directors deem fit. The investment policy of the Charity is to maximise the investment returns whilst managing risk. The risk level adopted as part of the Investment Policy continues to be low/medium.

The Board has appointed Brewin Dolphin as investment advisors to assist with the investment of Charity funds. The Trustees have asked Brewin Dolphin, who are a signatory to the UN Principles of Responsible Investment, to incorporate Environmental Social & Governance considerations as part of the investment selection process. In addition, investments are not made in areas that conflict with the aims and objectives of the charity.

Risk Management

The Board has identified the major strategic risks that includem is exposed to and has established controls and mitigating actions to minimise potential adverse outcomes. Risk is a significant part of daily operations for includem and is thus accorded considerable management time.

Director's Report (continued) for the Year Ended 31st March 2024

As far as possible, the Board has ensured that all operational risks to staff, assets and third parties have been examined and appropriate plans put in place to manage this risk. The most recent review of the corporate risk register identified the most serious risks to be the following:

Risk area	Risk description	Mitigation
Recruitment and retention, and the wellbeing landscape	Workforce policies and practices do not keep pace with the changing macro environment, leading to uncompetitive market positioning, affecting staff recruitment & retention, tender/project viability and competitiveness. Changes around wellbeing and fair work agenda make other sectors more attractive for skilled people.	Effective environmental scanning and review; competitor analysis; comprehensive proactive market engagement; development of new innovative ways of working to maintain relevance; effective two-way workforce engagement; use of staff survey and conference; living wage employer; SCQF inclusive recruiter; adherence to Fair Work Practices; Board HR Committee oversight.
Financial sustainability	Financial stability is currently driven by relatively short-term contracts and funding. Many of these contracts are short in terms of both time and commitment. The current financial situation suggests local authorities, especially, are looking to cut costs to balance books. The cost-of-living crisis, inflation and budget restrictions have also challenged funders and commissioning bodies and as such funding may become increasingly short-term and limited.	Regular and frequent contact with all contract issuers is required. Information on their plans is gathered, collated and acted upon. Potential contract tender and funding pipeline is continually developed and managed. Proactive contract management plans are used for each contract and risks with continuation highlighted. Portfolio of contracts spread across different sectors to spread risk.

Director's Report (continued) for the Year Ended 31st March 2024

Risk area	Risk description	Mitigation
Government changes/ strategic policy change	Changes in either Scottish or UK Governments may bring changes to policy focus that affects the operations of the organisation. These effects could be positive or negative. Ultimately, the policy changes will impact on government and local authority expenditure. Creation of National Care Service or restriction on outsourcing.	Effective environmental scanning; engagement with relevant bodies; campaigning for relevant policy changes; develop operational flexibility; members of various influencing and referencing bodies; challenging direction of travel at most senior level; collaborative support with wide range of organisations.
Financial reserves	Through the COVID19 pandemic and cost-of-living crisis, includem has continued to deliver services and direct financial support to those most in need. This has resulted in reporting deficits for consecutive years. Operational resilience is affected by this use of reserves.	Cost control measures in place and detailed monitoring of income, expenditure and cashflow regularly undertaken by the Executive Team and reported to the Board Finance & IT Committee. New bids must be realistically costed to cover the real financial impact of running the service/contract.

The Board also actively reviews the major financial risks which includem faces on a regular basis and believes that maintaining free reserves at the levels stated, combined with ongoing review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

The Board undertakes a review of the risk register at every quarterly Board Meeting, which prioritises the main risks facing includem. Each review looks at the probability and impact associated with each risk, existing controls, and mitigating actions to manage these risks. The Chief Executive is accountable for ensuring controls are followed and implementing the mitigating actions.

Director's Report (continued) for the Year Ended 31st March 2024

Reserves Policy

The Board approved the Reserves Policy at the Board Meeting in December 2023. The Board will review reserves levels annually to ensure they are appropriate to the Charity's needs, taking into account the risks and challenges facing the organisation. In December 2023, the Board considered the appropriate level of free reserves required to meet includem's contractual obligations and settle all liabilities in the event of winding up the charity. This figure is currently £1.3m.

Any funds in excess of these reserves will be made available for projects that support and further the Charity's purpose and strategy. Funds are transferred to a designated reserve, with oversight by the Finance & IT Committee. To release funds requires a fully costed proposal, reviewed by the Finance & IT Committee, and approved by the Board. The Finance & IT Committee monitor the expenditure to ensure objectives are met.

The balance of Restricted Funds held at 31 March 2024 amounted to £14,324 (2023: £34,378).

The unrestricted reserves of the Charity at 31 March 2024 are £1,586,316 (2023: £1,576,699).

After adjusting for tangible fixed assets and designated reserves agreed by the Board of £291,466 (2023: £328,666), the 'free reserves' of the Charity are £1,222,629 (2023: £1,202,763).

Structure, Governance and Management

Constitution

Includem is a registered charity (registered in Scotland (No. SC030233) incorporated under the Companies Act 2006 as a company limited by guarantee (No. SC207985).

The Charity was established under Articles of Association which established the objects and powers of the Charity and is governed under its Articles of Association. In the event of the Charity being wound up, members are required to contribute an amount not exceeding £1. Revisions were adopted by Members' Special Resolution to the Articles of Association in March 2018 to bring them into line with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and were approved by OSCR.

Director's Report (continued) for the Year Ended 31st March 2024

Board of Trustees

Board members serve until the next Annual General Meeting, at which the Members of the Charity will decide on their reappointment. The retiring Board Members who are eligible for re-election at the December 2024 AGM are:

- Lesley Taylor
- Donna Bell
- Kirsty MacArthur
- Jacqueline Cassidy

Method of Appointment of Election of Directors

The Board regularly reviews the skills currently represented by existing members and uses any identified gaps to frame the search for new members.

Policies Adopted for the Induction and Training of Directors

New members of the Board receive information about the Charity and the role of Trustees from the Chair and Chief Executive prior to taking up position.

The Board meetings also allow the communication of changes in regulation and ensure that the Board members keep up to date. Board members review their performance and training needs as part of the annual strategy review.

Organisation Structure and Decision Making

The Board has three committees which meet quarterly, Human Resources, Finance & IT, and Services Development.

The Board meets quarterly during which time they receive information and reports from the three committees, the Chief Executive and executive team.

Key Management Personnel

The Board takes responsibility for the strategic governance of includem and delegates implementation and operational management to the Chief Executive and a team of two senior executives.

Director's Report (continued) for the Year Ended 31st March 2024

Appointment of the Chief Executive and Senior Executives are approved by the Board with the Chair or appointed Trustees involved in the recruitment process. The Board sets the salaries of the Chief Executive and delegates responsibility to the Chief Executive and executive team to set all other salaries.

The performance of the Chief Executive in relation to the agreed strategic objectives is monitored by the Chair and regular appraisals are undertaken. The Chief Executive carries out regular appraisals with the Senior Executives. The executive team cover all the areas necessary to run the Charity and are detailed below:

Martin Dorchester, Chief Executive - in a career spanning 30 years, Martin has operated nationally and internationally with organisations covering logistics, technology and finance. Martin was part of the team that brought the 5 radio authorities together to create Ofcom and worked with the London Borough of Hackney in developing its infrastructure for the 2012 Olympics.

Martin was Vice Convener of the Coalition of Care Providers in Scotland (CCPS) and was Co- Chair of the Independent Care Review. He has held a number of non-executive roles including Non-executive Director of Traveline Scotland, The Sailor's Orphan Society of Scotland, Transport for Wales and currently Office of the Secretary of State for Scotland (OSSS) and Office of the Advocate General for Scotland (OAG). He is a committed supporter of Social and Community Business and Chaired Firstport Ltd, a start-up funding organisation for social enterprises.

Andrew Collier, Services Director - MBA from Strathclyde University, worked in the licensed trade for 15 years ending up as National Manager with an independent company, spent 15 years with Calmac, culminating in his role as Operations Director, since 2018 has led on our strategy to grow services through increased income generation to support future development and sustainability, and from January 2024 is also responsible for effective delivery of core young people and family services across Scotland, with a focus on cultural change.

Lucy Neilson, Operations Director - is a Chartered Management Accountant with extensive experience in the not-for-profit sector. Lucy brings expertise in financial and management reporting, medium and long-term budgeting and forecasting, risk management and change management. Lucy is responsible for HR, Finance, Business Support Services, Communications & Public Affairs and IT.

Director's Report (continued) for the Year Ended 31st March 2024

Workforce

Includem's staff are an essential component of our work in improving the lives of young people and their families. Includem recognises that nurturing high performance through effective development of a diverse workforce is essential if we are to remain successful. To this end, includem has adopted a set of Policies and Procedures which ensure all decisions about the employment and development of our employees, or potential employees, are free from discrimination of any kind. Includem is committed to fair work practices and is a Living Wage Accredited employer and SCQF Inclusive Recruiter.

In order to promote and ensure effective engagement with staff, an Employee Forum meets regularly with elected representation from various parts of the organisation. Includem also has a Mental Health First Aid Group with Mental Health First Aiders available to employees.

Plans for Future Periods

The main challenges facing the Charity are the ongoing impact of cuts in government funding, recruitment and retention of staff and the continuing uncertainty surrounding its operating environment. The current economic landscape is impacting the majority of commercial business, which both directly and indirectly places pressure on the charity sector and in particular includem's operating partners. Over the period 2024/25 the Charity will continue to undertake a range of activities to develop and enhance the capacity and sustainability of the organisation and will advance its mission to be a leading provider of quality support in its sector.

Director's Responsibilities Statement

The Directors (who are also Trustees of includem for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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.

Director's Report (continued) for the Year Ended 31st March 2024

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Directors 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 enables them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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.

Disclosure of Information to Auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

This report was approved by the Board and signed on its behalf by:



Bruce Marks

Secretary

Date: 2nd December 2024

Independent Auditor's Report to the Members of includem

Opinion

We have audited the financial statements of includem (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities (including the income and expenditure account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for Opinion

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

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent Auditor's Report to the Members of includem

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

Other Information

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

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

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the Companies Act 2006

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

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

Matters on Which We are Required to Report by Exception

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

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

Independent Auditor's Report to the Members of includem (continued)

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

Responsibilities of Trustees

As explained more fully in the Directors' Responsibilities Statement (set out on page 18), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Independent Auditor's Report to the Members of includem (continued)

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of Board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Board that represented a material misstatement due to fraud.

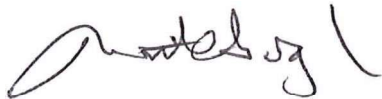
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose.

Independent Auditor's Report to the Members of includem (continued)

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Chittleburgh (Senior Statutory Auditor)

For and on behalf of

CT

Chartered Accountants and Statutory Auditors

61 Dublin Street, Edinburgh, EH3 6NL

Date: 5.12.24

Chiene + Tait LLP (trading as CT) are eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
	Note				
Income from:					
Donations and legacies	4	-	6,539	6,539	13,438
Charitable activities	5	2,995,622	2,501,294	5,496,916	5,102,287
Investments	6	36,488	-	36,488	24,102
Other income	7	61,149	-	61,149	53,132
Total income		3,093,259	2,507,833	5,601,092	5,192,959
Expenditure on:					
Raising funds	8	133,180	140,130	273,310	235,326
Charitable activities	9	3,044,580	2,387,757	5,432,337	4,965,083
Total expenditure		3,177,760	2,527,887	5,705,647	5,200,409
Net income and expenditure before investment gains and losses		(84,501)	(20,054)	(104,555)	(7,450)
Net gains on investments		94,118	-	94,118	(89,620)
Net income/expenditure		9,617	(20,054)	(10,437)	(97,070)
Transfers between funds	21	-	-	-	-
Net movement in funds		9,617	(20,054)	(10,437)	(97,070)
Reconciliations of funds:					
Total funds brought forward		1,576,699	34,378	1,611,077	1,708,147
Net movement in funds		9,617	(20,054)	(10,437)	(97,070)
Total funds carried forward		1,586,316	14,324	1,600,640	1,611,077

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 53 form part of these financial statements.

Statement of Financial Position as at 31st March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	72,221	45,270
Investments	15	1,170,482	1,076,364
		<u>1,242,703</u>	<u>1,121,634</u>
Current assets			
Debtors	16	414,959	508,393
Cash at bank and in hand		514,048	697,738
		<u>929,007</u>	<u>1,206,131</u>
Creditors: amounts falling due within one year	17	(494,070)	(639,688)
Net current assets		<u>434,937</u>	<u>566,443</u>
Total assets less current liabilities		1,677,640	1,688,077
Provision for liabilities	19	(77,000)	(77,000)
Total net assets		<u>1,600,640</u>	<u>1,611,077</u>
Charity funds			
Restricted funds	20	14,324	34,378
Unrestricted funds			
Designated funds	20	291,466	328,666
General funds	20	1,294,850	1,248,033
Total unrestricted funds	20	<u>1,586,316</u>	<u>1,576,699</u>
Total funds		<u>1,600,640</u>	<u>1,611,077</u>

Statement of Financial Position as at 31st March 2024 (continued)

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Directors and signed on their behalf by:



Iain Forbes



Bruce Marks

Date: 2nd December 2024

Company Registered Number SC207985

The notes on pages 29 to 53 form part of these financial statements.

Statement of Cash Flows for the Year Ended 31st March 2024

		2024	2023
	Note	£	£
Cash flows from operating activities			
Net cash used in operating activities	23	(169,212)	(23,002)
Cash flows from investing activities			
Dividends and interests from investments		36,488	24,102
Purchase of tangible fixed assets	14	(50,966)	(32,433)
Proceeds from sale of investments		305,886	153,811
Purchase of investments	15	(305,886)	(153,810)
Net cash provided by investing activities		(14,478)	(8,330)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		(183,690)	(31,332)
Cash and cash equivalents at the beginning of the year		697,738	729,070
Cash and cash equivalents at the end of the year	24	514,048	697,738

Notes to the Financial Statements for the Year Ended 31st March 2024

1. General Information

The Charity is a company limited by guarantee, incorporated in the UK and registered in Scotland (Company number: SC207985). Its registered office is Unit 6000, Academy Park, Gower Street, Glasgow, G51 1PR. The members of the Charity are the Directors named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Includem meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going Concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for the period to 31st March 2026 which indicate that, taking account of reasonably possible downsides, being incurring unbudgeted costs to deliver committed services, on the operations and its financial resources, the Charity will have sufficient funds to meet its liabilities as they fall due for that period.

Notes to the Financial Statements for the Year Ended 31st March 2024

The Charity is dependent on income from contracts it has with the Scottish Government, Local Authorities and grant givers to ensure its objectives continue to be achieved for the longer term. The financial statements have been prepared on the basis that the Charity has the continued support of its funders and sufficient funds in the current and future years. The Charity has no reason to believe that funding will not continue and that new opportunities will not continue to present themselves.

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity, and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Notes to the Financial Statements for the Year Ended 31st March 2024

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities, as detailed in note 10, is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Service Development expenditure includes expenditure on service development supported by either grants or reserves.

Fundraising costs are those incurred in seeking contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters.

All expenditure is inclusive of irrecoverable VAT. Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Notes to the Financial Statements for the Year Ended 31st March 2024

Support costs have been analysed across the Charity's main activities. Governance costs have not been allocated to the cost of raising funds as this is neither significant nor practical to allocate appropriately. The allocation of support costs is analysed in note 10.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Tangible Fixed Assets and Deprecation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are capitalised in the year of purchase and are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Short-term leasehold property	- Straight line over the period of the lease
Fixtures and fittings	- Straight line over 5 years
Computer equipment	- Straight line over 3 years

Notes to the Financial Statements for the Year Ended 31st March 2024

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their opening carrying value. Realised and recognised investment gains and losses are combined in the statement of financial activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at Bank and in Hand

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

2.10 Liabilities

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Notes to the Financial Statements for the Year Ended 31st March 2024

2.11 Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.12 Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify under FRS 102, as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating Leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Pensions

Employees of the Charity are entitled to join a defined contribution 'money purchase' scheme. The Charity contribution is restricted to the contributions disclosed in note 26. The management costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the Charity.

Notes to the Financial Statements for the Year Ended 31st March 2024

The money purchase plan, managed by Legal and General, invests the contributions made by the employee and employer in investment funds designated by the employee to build up over the term of the plan. The pension fund is converted into a pension upon the employee's normal retirement age, defined as when they are eligible for a state pension. The Charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

2.15 Fund Accounting

General funds, created from services commissioned by Local Authorities for young people in their responsibility, or other services provided directly to or by third parties, are available for use at the discretion of the Board in developing the quality and scale of its services to young people, and not designated for other specific purposes. They provide financial security, taking account of the risks and challenges facing the service and ensure continuous service development and efficiency.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes, to further the charitable aims and to develop the services to support those charitable aims. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are grants, donations or legacies received from donors for work not provided under services commissioned by local authorities, unless contractually specified, and applied to meet the donor's objectives. These generally represent a timing difference between the receipt of funds and the provision of the actual service to young people, or staff development as appropriate.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Financial Statements for the Year Ended 31st March 2024

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These are detailed below.

Provisions

Provisions are recognised where the Charity has an obligation, as a result of a past event, that can be measured reliably. The recording of provisions is an area which requires the exercise of management judgement relating to the nature, timing and probability of the liability.

Notes to the Financial Statements for the Year Ended 31st March 2024

4. Income from donations and legacies

	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Donations	6,539	6,539	13,438
<i>Total 2023</i>	<u>13,438</u>	<u>13,438</u>	

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Contracts – service delivery	2,995,622	-	2,995,622	3,921,952
Grants – service delivery & development	-	2,501,294	2,501,294	1,180,335
Total 2024	<u>2,995,622</u>	<u>2,501,294</u>	<u>5,496,916</u>	<u>5,102,287</u>
<i>Total 2023</i>	2,995,710	2,106,577	5,102,287	

Analysis of grants received

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Grants received	-			
Scottish Government	-	935,000	935,000	896,390
Scottish Local Authorities	-	1,316,269	1,316,269	1,025,460
Dunlossit & Islay	-	-	-	20,000
R S McDonald	-	13,092	13,092	12,838
Drapers Fund (within donations)	-	-	-	6,389
NHS	-	4,000	4,000	0
CORRA Foundation	-	232,933	232,933	165,500
	<u>-</u>	<u>2,501,294</u>	<u>2,501,294</u>	<u>2,126,577</u>

Notes to the Financial Statements for the Year Ended 31st March 2024

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investments	25,568	25,568	22,415
Bank interest received	10,920	10,920	1,687
Total 2024	36,488	36,488	24,102
<i>Total 2023</i>	<i>24,102</i>	<i>24,102</i>	

7. Other income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Secondments	61,149	61,149	53,132
<i>Total 2023</i>	<i>53,132</i>	<i>53,132</i>	

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Allocated management/staff costs	133,180	140,130	273,310	235,326
<i>Total 2023</i>	<i>148,915</i>	<i>86,411</i>	<i>235,326</i>	

Notes to the Financial Statements for the Year Ended 31st March 2024

9. Analysis of expenditure on charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Contracts - service delivery	3,044,580	-	3,044,580	2,935,817
Grants - service delivery & development	-	2,361,163	2,361,163	2,020,166
Young Person's support fund	-	26,594	26,594	9,100
	<u>3,044,580</u>	<u>2,387,757</u>	<u>5,432,337</u>	<u>4,965,083</u>
<i>Total 2023</i>	<u>2,935,817</u>	<u>2,029,266</u>	<u>4,965,083</u>	

10. Analysis of expenditure on charitable activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Contracts – service delivery	2,285,581	758,999	3,044,580	2,935,817
Grants – service delivery & development	1,638,388	722,775	2,361,163	2,020,166
Young Person's support fund	26,594	-	26,594	9,100
	<u>3,950,563</u>	<u>1,481,774</u>	<u>5,432,337</u>	<u>4,965,083</u>
<i>Total 2023</i>	<u>3,687,466</u>	<u>1,277,617</u>	<u>4,965,083</u>	

Notes to the Financial Statements for the Year Ended 31st March 2024

Analysis of direct costs

	Contracts - service delivery	Grants - service delivery & development	Young person's support fund	Total funds	<i>Total funds</i>
	2024	2024	2024	2024	2023
	£	£	£	£	
Staff costs	1,904,364	1,311,310	-	3,215,674	2,933,536
Depreciation	11,702	12,313	-	24,015	17,118
Young people expenditure	159,069	101,365	26,594	287,028	294,680
Property & office costs	104,367	101,784	-	206,151	205,732
Communication & IT costs	101,417	106,710	-	208,127	230,242
Regulatory costs	4,662	4,906	-	9,568	6,158
	<u>2,285,581</u>	<u>1,638,388</u>	<u>26,594</u>	<u>3,950,563</u>	<u>3,687,466</u>
<i>Total 2023</i>	<u>2,193,063</u>	<u>1,485,303</u>	<u>9,100</u>	<u>3,687,466</u>	

Notes to the Financial Statements for the Year Ended 31st March 2024

10. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Contracts – service delivery	Grants – service delivery & development	Total funds	<i>Total funds</i>
	2024	2024	2024	<i>2023</i>
	£	£	£	£
Staff costs	677,659	637,190	1,314,849	<i>1,132,114</i>
Service development	18,619	19,591	38,210	<i>31,133</i>
Governance costs	62,721	65,994	128,715	<i>114,370</i>
	<u>758,999</u>	<u>722,775</u>	<u>1,481,774</u>	<u><i>1,277,617</i></u>
<i>Total 2023</i>	<u>742,754</u>	<u>534,863</u>	<u>1,277,617</u>	

Notes to the Financial Statements for the Year Ended 31st March 2024

11. Auditor's remuneration

	2024	2023
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's Financial Statements	13,980	13,020

12. Staff costs

	2024	2023
	£	£
Wages and salaries	4,092,138	3,691,865
Social security costs	348,548	337,442
Contribution to defined contribution pension schemes	172,023	154,213
	4,612,709	4,183,520

Included in wages and salaries is £48k (£NIL 2023) relating to compensation for loss of office.

The average number of persons employed by the charity during the year was as follows:

	2024	2023
	No.	No.
Permanent staff	128	121
Sessional staff	38	34
	166	155

The number of employees whose employee benefits (excluding employer national insurance and pension contributions) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	0	0
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	0
In the band £100,001 - £110,000	1	1

The key management personnel of the Charity are the Board and the executive team. The five key managers were paid employee benefits (including employer national insurance and pension contributions) totalling £392,833 (2023: £405,535 five managers).

Notes to the Financial Statements for the Year Ended 31st March 2024

13. Directors' remuneration and expenses

During the year no Directors received any remuneration or other benefits (2023 - £NIL).

During the year one Director received travel expenses of £26 (2023 - £NIL).

14. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2023	159,036	93,109	355,987	608,132
Additions	-	523	50,443	50,966
Disposals	-	-	(31,012)	(31,012)
At 31 March 2024	159,036	93,632	375,418	628,086
Depreciation				
At 1 April 2023	156,487	93,109	313,266	562,862
Charge for the year	1,207	-	22,808	24,015
Disposals	-	-	(31,012)	(31,012)
At 31 March 2024	157,694	93,109	305,062	555,865
Net book value				
At 31 March 2024	1,342	523	70,356	72,221
At 31 March 2023	2,549	-	42,721	45,270

Notes to the Financial Statements for the Year Ended 31st March 2024

15. Fixed asset investments

	Listed investments £
Fair value	
At 1 April 2023	1,076,364
Additions	305,886
Disposals	(292,100)
Revaluations	80,332
At 31 March 2024	<u>1,170,482</u>

Fixed asset investments are measured at fair value through income and expenditure. The fair value is determined by prices from a recognised stock exchange.

Historical cost of listed investments

	2024 £	2023 £
Historical cost	<u>1,047,864</u>	<u>1,041,987</u>

16. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	192,323	333,649
Other debtors	6,641	5,668
Prepayments and accrued income	215,995	169,076
	<u>414,959</u>	<u>508,393</u>

Notes to the Financial Statements for the Year Ended 31st March 2024

17. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	67,525	45,389
Other taxation and social security	91,309	101,608
Accruals and other creditors	172,733	148,178
Deferred income	162,503	344,513
	494,070	639,688

18. Deferred income

	2024 £	2023 £
Deferred income at 1 April 2023	344,513	242,559
Resources deferred during the year	162,503	344,513
Amounts realised from previous periods	(344,513)	(242,559)
Deferred income at 31 March 2024	162,503	344,513

Deferred income relates to performance related funding received under contract during the year which relates to projects that will be delivered in future periods.

Notes to the Financial Statements for the Year Ended 31st March 2024

19. Provisions

Dilapidations provision

	2024 £	2023 £
Provisions at 1 April 2023	77,000	65,000
Additional provision during the year	-	12,000
Provisions at 31 March 2024	77,000	77,000

The charity makes provision for dilapidations, being the cost of bringing the properties back to the state they receive them. It is expected that the dilapidations provision will be utilised in the next 1-4 years.

20. Statement of funds

Statement of funds – current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated fund						
Digital strategy	144,150	-	(37,200)	-	-	106,950
Service promotion/ diversification	-	-	-	50,000	-	50,000
Service transition	-	-	-	134,516	-	134,516
Includem justice	184,516	-	-	(184,516)	-	-
	328,666	-	(37,200)	-	-	291,466
General funds						
General funds – all funds	1,248,033	3,093,259	(3,140,560)	-	94,118	1,294,850
Total unrestricted funds	1,576,699	3,093,259	(3,177,760)	-	94,118	1,586,316

Notes to the Financial Statements for the Year Ended 31st March 2024

20. Statement of funds (continued)

Statement of funds – current year (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2024 £
Restricted funds						
Young people support	34,378	6,539	(26,593)	-	-	14,324
Core service	-	2,501,294	(2,501,294)	-	-	-
	34,378	2,507,833	(2,527,887)	-	-	14,324
Total of funds	1,611,077	5,601,092	(5,705,647)	-	94,118	1,600,640

Statement of funds – prior year

	Balance at 1 April 2022	Income £	Expenditure £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Digital strategy	177,000	-	(32,850)	-	-	144,150
Includem justice team	184,516	-	-	-	-	184,516
	361,516	-	(32,850)	-	-	328,666
General funds						
General funds – all funds	1,316,591	3,072,944	(3,051,882)	-	(89,620)	1,248,033
Total unrestricted funds	1,678,107	3,072,944	(3,084,732)	-	(89,620)	1,576,699

Notes to the Financial Statements for the Year Ended 31st March 2024

20. Statement of funds (continued)

Statement of funds – prior Year (continued)

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains (Losses) £</i>	<i>Balance at 31 March 2023 £</i>
<i>Restricted funds</i>						
<i>Young people support</i>	30,040	13,438	(9,100)	-	-	34,378
<i>Core service</i>	-	2,106,577	(2,106,577)	-	-	-
	<u>30,040</u>	<u>2,120,015</u>	<u>(2,115,677)</u>	<u>-</u>	<u>-</u>	<u>34,378</u>
<i>Total of funds</i>	<u>1,708,147</u>	<u>5,192,959</u>	<u>(5,200,409)</u>	<u>-</u>	<u>(89,620)</u>	<u>1,611,077</u>

Notes to the Financial Statements for the Year Ended 31st March 2024

The aim and use of the **designated** fund is broken down as follows:

Digital Strategy - the Board approved the level of reserves required to achieve our plans for the digital transformation and deliver on the approved strategy. In the year to 31 March 2024, £37,200 expenditure was incurred on the project with £106,950 carried forward for completion.

Includem Justice Team - the Board agreed in December 2021 to designate £192,000 to continue the delivery of this essential service to strengthen support for young people involved, or at risk of being involved, with the justice system, and divert them from participating in criminal behaviour, help them to positively engage within their neighbourhood, help improve their wellbeing and resilience and they are respected, responsible and included. In March 2024 the £184,516 remaining funds were designated to other projects.

Service Promotion/Diversification – in March 2024 the Board designated £50,000 to promote service and income diversification. This is a key project identified to protect the sustainability of the charity.

Service Transition – in March 2024 the Board designated £134,516 to fund service transitions. Includem is committed to ensuring that children, young people and families are supported when service responsibility moves to/from includem to/from another service provider, and that budgetary influence must not leave vulnerable people without support.

The aim and use for each **restricted** fund is as follows:

Young People Support – the young person fund is a small fund raised from donations, used to provide for essential needs such as food, heat & light and clothing, and to enable children, young people and families to have experiences they would otherwise not have the opportunity to, which many of us take for granted.

Core services – includem is supported by the Scottish Government and Local Authorities to support young people and divert them from participating in criminal behaviour, help them to positively engage within their neighbourhood, help improve their wellbeing and resilience and they are respected, responsible and included.

Notes to the Financial Statements for the Year Ended 31st March 2024

21. Summary of funds

Summary of funds – current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2024 £
Designated funds	328,666	-	(37,200)	-	-	291,466
General funds	1,248,033	3,093,259	(3,140,560)	-	94,118	1,294,850
Restricted funds	34,378	2,507,833	(2,527,887)	-	-	14,324
	<u>1,611,077</u>	<u>5,601,092</u>	<u>(5,705,647)</u>	<u>-</u>	<u>94,118</u>	<u>1,600,640</u>

Summary of funds – prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2023 £
Designated funds	361,516	-	(32,850)	-	-	328,666
General funds	1,316,591	3,072,944	(3,051,882)	-	(89,620)	1,248,033
Restricted funds	30,040	2,120,015	(2,115,677)	-	-	34,378
	<u>1,708,147</u>	<u>5,192,959</u>	<u>(5,200,409)</u>	<u>-</u>	<u>(89,620)</u>	<u>1,611,077</u>

Notes to the Financial Statements for the Year Ended 31st March 2024

22. Analysis of net assets between funds

Analysis of net assets between funds – current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total Funds 2024 £
Tangible fixed assets	72,221	-	72,221
Fixed asset investments	1,170,482	-	1,170,482
Current assets	914,683	14,324	929,007
Creditors due within one year	(494,070)	-	(494,070)
Provisions for liabilities and charges	(77,000)	-	(77,000)
Total	1,586,316	14,324	1,600,640

Analysis of net assets between funds – prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total Funds 2023 £</i>
<i>Tangible fixed assets</i>	<i>45,270</i>	<i>-</i>	<i>45,270</i>
<i>Fixed asset investments</i>	<i>1,076,364</i>	<i>-</i>	<i>1,076,364</i>
<i>Current assets</i>	<i>1,171,753</i>	<i>34,378</i>	<i>1,206,131</i>
<i>Creditors due within one year</i>	<i>(639,688)</i>	<i>-</i>	<i>(639,688)</i>
<i>Provisions for liabilities and charges</i>	<i>(77,000)</i>	<i>-</i>	<i>(77,000)</i>
Total	1,576,699	34,378	1,611,077

Notes to the Financial Statements for the Year Ended 31st March 2024

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(10,437)	(97,070)
Adjustments for:		
Depreciation charges	24,015	17,118
(Gain) on investments	(94,118)	89,620
Dividends and interest from investments	(36,488)	(24,102)
Increase in provisions	-	-
(Increase)/decrease in debtors	93,434	(55,348)
(Decrease)/increase in creditors	(145,618)	46,780
Net cash (used in)/provided by operating activities	(169,212)	(23,002)

24. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	514,048	697,738
Notice deposits (less than 3 months)	-	-
	514,048	697,738

25. Analysis of changes in net funds

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	697,738	(183,690)	514,048
	697,738	(183,690)	514,048

Notes to the Financial Statements for the Year Ended 31st March 2024

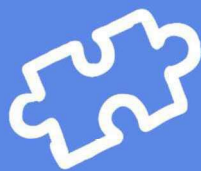
26. Pension commitments

The charity contributes to a defined contribution scheme operated by Legal & General.
The charity makes contributions of 5% (4.5% 2023) of gross salary to the scheme for those who have elected to join with employees contributing a minimum of 3.5%.
The charity contributed £172,023 in the year (2023: £154,213).

27. Operating lease commitments

At 31st March 2024 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Lease periods < 1 year	65,326	58,410
Lease periods 2 to 5 years	131,551	37,200
	196,876	95,610



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