



FLEXIBLE CHILDCARE SERVICES SCOTLAND

**Flexible Childcare Services Scotland
(a Scottish Charitable Incorporated Organisation)**

Scottish Charity number: SC049318

**Trustees' Report and Consolidated Financial Statements
for the year ended 31 March 2023**



FLEXIBLE CHILDCARE SERVICES SCOTLAND
(a Scottish Charitable Incorporated Organisation)
Year ended 31 March 2023

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**FLEXIBLE CHILDCARE
SERVICES SCOTLAND**

FLEXIBLE CHILDCARE SERVICES SCOTLAND
(a Scottish Charitable Incorporated Organisation)
Year ended 31 March 2023
Trustees' Annual Report

Reference and administrative information

Registered charity number: SC049318

Registered office

Fintry Nursery
Fintry Road
Dundee
DD4 9EZ

Chief Executive Officer

Susan McGhee

Trustees

Kevin Cadman – Chair
Alastair Couper – Treasurer
Christopher Jamieson
Sally Cavers
Jane Malcolm (resigned 30th November 2022)
Patrick Woods
Janey Smith

Auditor

EQ Audit Services LLP
Westby
64 West High Street
Forfar
DD8 1BJ

Bankers

Royal Bank of Scotland
36 St Andrew Square
Edinburgh
EH2 2AD



FLEXIBLE CHILDCARE SERVICES SCOTLAND
(a Scottish Charitable Incorporated Organisation)
Year ended 31 March 2023
Trustees' Annual Report (continued)

Flexible Childcare Services Scotland SCIO (henceforth 'FCSS') was established in 2019 to address barriers preventing families from accessing the early learning and childcare, school age childcare, and additional support needs services they need to flourish. FCSS has a clear vision to create equity of access to these services for all children and families regardless of socio-economic background, specific individual needs and/or location.

FCSS's unique flexible model of delivery challenges traditional childcare delivery models. These models often have minimum booking requirements, do not allow for changing work patterns, and generally require both deposit payments and up-front fees to be paid. This creates an insurmountable barrier to families, particularly those with a lower income, and/or insecure work, entering or remaining in employment, education, or training. The flexible model created by FCSS effectively removes that barrier, empowering parents to work, earn and learn, boosting income, improving wellbeing, and supporting families to thrive.

FCSS considers equity of access to services as a vital element in supporting Scotland's children and families, the organisation's leadership team actively seek out gaps in provision and put in place plans to avoid families missing out on access to the services they require.

This "fill the gap" approach guides the organisation's scale strategy and has resulted in the creation of new early learning and school age childcare services in locations identified as facing multiple areas of deprivation.

FCSS also delivers equity for children who have an additional support need and their families by offering group based and one to one care services specifically designed to meet the needs of individual children.

FCSS is a relatively young organisation, with FY 22/23 being just its third full year of trading. Growth aspirations remain high; however, the organisation's current strategic focus is refining the delivery model to enhance sustainability, and reduce reliance on grant funding, whilst still delivering high levels of positive social impact and improving outcomes for children, young people and families across Scotland.

Overview

FCSS currently operates services in six of Scotland's local authority areas. Services/activities include:

- Flexible Funded Early Learning and Childcare
- Flexible Out of School Care, including pre and post school hours services, and holiday provision
- Home-based Childcare and Respite Services
- Additional Support Needs Activity and Support Groups
- Sector support services, including digital tools, through its trading subsidiary, Caerus Opportunities Limited

In the financial year from April 2022 to March 2023, FCSS Early Learning and School Age Childcare services delivered 265,139 hours of childcare supporting 562 children from over 500 families. The organisation's Additional Support Needs services delivered a further 30,674 hours of service, catering for an additional 163 children and young people.

FY 22/23 also saw the continued growth of the digital solutions created by FCSS to support and influence the wider childcare sector in increasing flexibility and accessibility across delivery models. This product now also provides a data source for local and national policy makers to access. This element of the organisation's work now forms its trading subsidiary Caerus Opportunities Limited.



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Trustees' Annual Report (continued)

Vision

The organisation's vision remains clear and is the creation of flexibility in early learning and school age childcare for all children, families, and communities across Scotland.

- The organisation will protect the rights of children and families to define, tailor and access flexible childcare services in ways that best fit their situation.
- The service shall be inclusive, innovative, and reflective of the very best practice.

Structure, Governance and Management

Constitution

The Charity is a Scottish Charitable Incorporated Organisation (SCIO). It was registered in its current legal form on 22nd May 2019. It operates as a single tier structure and as such the Charity Trustees are also the organisation's only members and comprise the organisation's Board.

Appointment of Trustees

Trustees are elected at the Annual General Meeting, however where it is deemed in the best interest of the organisation, Trustees can appoint further trustees during the year, with election verified at the next AGM.

The organisation's constitution requires there to be a minimum of three and maximum of ten Trustees.

Trustees will have a commitment to the core values and purpose of the charity and will be recruited on skills, background and/or connectedness with relevant communities and networks.

The Trustees are responsible for the strategic direction and governance of the organisation.

The Trustees are aware of their responsibilities and the organisation holds comprehensive insurance and maintains a risk assessment register.

All new board members are invited to an initial board meeting and although no formal training session is currently offered this is something the Trustees will look to implement.

Objectives and Activities

Charitable purposes

The organisation is established for charitable purposes only, and the objects are:

- The advancement of care and education for children and young people through delivery of tailored childcare solutions.
- To advance education for the benefit of children, families, and communities by the provision of accredited training programmes for the childcare sector.
- To provide financial support to individuals for training in the childcare sector.
- The advancement of citizenship or community development.
- The relief of the needs of children and young people by reason of ill-health, disability, financial hardship or other disadvantage.



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Trustees' Annual Report (continued)

Activities

During financial year 2022/23 Flexible Childcare Services Scotland continued to deliver early learning and childcare, school age childcare and a range of additional support needs services.

This involves provision of tailored childcare services, designed to:

- Meet the individual needs of children, young people, families, and communities.
- Identify gaps in provision and design services to fill the gap.
- Remove barriers of affordability, accessibility and sustainability faced by families seeking childcare.
- Create centres of learning to share the flexible delivery model.
- Identify and overcome barriers to successful delivery of a more accessible model of care.

Achievement & performance

This has been a challenging year for FCSS, whilst there is robust evidence of the social and economic benefits for families using its services, achieving, and maintaining, a sustainable operating position has been difficult. External pressures including workforce capacity challenges, and the impact of Covid 19 lockdowns on the development and wellbeing of children and families, continue to effect day to day operations within the organisation.

During the year the organisation successfully opened a new service in Kilmarnock, within the Centrestage building, this creates an opportunity to explore deeper impact opportunities in partnership with Centrestage and the other organisations based within the Centrestage facility.

An opening celebration was held for the organisation's new premises in Dundee, the event was attended by the Minister for Children and Young People, who officially opened the service. Funds were secured through Regeneration Capital Grant Funding for the extension of the second phase of this building, adding community hub space.

The organisation's commitment to the provision of School Age Childcare was demonstrated with the appointment of a National School Age Childcare Co-ordinator.



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Trustees' Annual Report (continued)

Financial review

The financial results are set out in the Statement of Financial Activities on page 14. During the year, the charity recorded a net loss in unrestricted funds of £249,517 (2022 - £144,237). The charity received donations during the year totalling £53,297 (2022 - £42,310), and grants totalling £477,830 (2022 - £1,013,862). The remainder of the charity's income in the year was received via the provision of childcare services, totalling £2,245,496 (2022 - £1,756,766). Details of this income, showing the split between restricted and unrestricted income, is shown in note 3 of the financial statements.

The closing reserves balance of £765,586 (2022 - £969,582) consists of unrestricted reserves of £66,978 (2022 - £316,495) and restricted reserves of £698,608 (2022 - £653,087). Restricted reserves consist of the balance of funds provided to the charity for specific purposes and consist mainly of funding awarded for the redevelopment and capital works associated with the Fintry Nursery Project. The charity's policy is to release grants relating to expenditure of tangible fixed assets as a credit to the Statement of Financial Activities at the same rate as the depreciation on the assets to which the grants relate.

At the end of the financial year, the charity had net current assets totalling £82,399 (2022 - £284,933), of which £205,851 is held in cash at bank (2022 - £369,418).

The charity's main sources of funding are:

- Provision of contracted childcare services paid for by Local Authorities under service level agreements
- Fees paid by parents for provision of childcare
- Charitable grants

We have confirmed funding in place for FY 23/24 from the Social Innovation Partnership, a collaboration between the Scottish Government and the Hunter Foundation. We are also supported via a multiyear support package with philanthropy fund, the Catalyst for Impact Fund.

Caerus Opportunities Limited

The results of the charity's wholly owned subsidiary company, Caerus Opportunities Limited, are consolidated with those of the charity in the group financial statements. Further details are provided at note 1. The principal activity of the trading company is the development of digital solutions to support and influence the wider childcare sector in increasing flexibility and accessibility across delivery models. This software product now also provides a data source for local and national policy makers to access.

Caerus Opportunities Limited's operating loss for the period to 31st March 2023 was £26,027, and there will be no donation to the parent charity.

Going Concern

Flexible Childcare Services Scotland was established in 2020, just before the global pandemic of COVID-19 took hold, and the Trustees recognise that the organisation has not yet built sufficient reserves to meet its reserves policy due to the challenging operating environment the organisation has faced since its inception.

Whilst some services are still in their infancy, the organisation has continued to grow, and the Trustees recognise that the new services will take time to reach a financial position where they are covering their costs. The organisation's Leadership and Management teams have established strong working relationships with funders, regulators, Scottish Government, and other third-party organisations. The organisation has built on these strong foundations to add additional services and source further funds thus achieving sustainable growth in turnover, geographic coverage, and the range of services delivered.



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Year ended 31 March 2023

Trustees' Annual Report (continued)

The Trustees recognise the current reliance on external funding and have considered long term cashflow projections and budget forecasts for at least 12 months from the date of approval of these financial statements. The Trustees continue to review and challenge these projections and forecasts, and action mitigating measures in good time to ensure sustainability. The forecasts show that the charity is able to continue as a going concern, however, they include income that is not yet secured. This income is in the form of grants and donations and due to the nature of this income, it is difficult to predict the likelihood and amount of future income. As not all income has been currently secured, the Trustees conclude that these conditions result in a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Trustees as a result conclude that material uncertainty over going concern exists.

Although the charity has not fully secured the required level of third-party funding for the next 12 months, trustees are confident of obtaining this support. On that basis, the Trustees can conclude the accounts can be prepared on a going concern basis.

We work with a number of funders including the Social Innovation Partnership, a collaboration between the Scottish Government and the Hunter Foundation. We are also supported via a multiyear support package with new philanthropy fund, the Catalyst for Impact Fund who support our goals and our work.

Risk assessment

The trustees have assessed the major risks to which the charity is exposed, in particular, managing cashflow and the impact of having no reserves at the time of start up, workforce capacity challenges, and ability to deliver outcomes as required by funders in challenging market conditions.

Other risks include managing staff numbers to meet service delivery ratios in a rapidly changing context, and maintaining quality of provision whilst driving change in delivery models.

Following robust risk assessment, the Board of Trustees are satisfied that systems are in place to mitigate our exposure to these risks. Measures in place include regular review of our cashflow position, limits on spending/purchases, identifying new funding opportunities and broadening the range and number of funders we work with. We effectively track progress towards outcomes and communicate regularly with our funders.

We are following guidance from the Scottish Government and our regulators the Care Inspectorate to ensure safe, ongoing service delivery. We have implemented systems to monitor staffing numbers and have an active sessional staff bank in place from which we can draw additional cover as required. We established internal quality monitoring processes and will focus on embedding these during the coming year.

We meet quarterly with our insurance brokers to ensure we have sufficient cover for key insurable risks. We use the services of RBS Mentor to manage HR and Health and Safety procedures and ensure we manage any risk related to our people management.

Reserves policy

The trustees' policy is to work towards retaining 3 months' worth of normal running costs in order to meet commitments and to cover any unexpected expenditure. Although this policy is not met as at 31 March 2023, the trustees acknowledge that this is reasonable given the short operating period and will continue to monitor the position.



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Year ended 31 March 2023

Trustees' Annual Report (continued)

Plans for future periods

The trustees intend to continue to develop the services offered, influencing the sector and creating change in the delivery models adopted by providers on a national scale. This will include:

- Carrying our research and gathering data to support potential refinements to the delivery model that will boost sustainability.
- Working in partnership with other social change organisations to drive positive systemic change.
- Completing phase two works at our Dundee service to create additional office and community facilities.
- Exploring sustainable scale opportunities.
- Establishing our position as the go-to provider of Flexible Childcare Management Software in Scotland achieving coverage across all 32 Local Authorities with our software products
- Operating our National Sessional Practitioner bank across Scotland and expand to cover other sectors including school teaching and ancillary staff.
- Launch of SQA approved training centre delivering Modern Apprenticeship qualifications for entrants to the childcare sector workforce.
- Exploring opportunities to link with flexible work organisations to trial a programme of dual benefits of flexible employment supported by flexible childcare.

By moving to a more flexible delivery model barriers are removed, and fewer families miss out on the benefits of quality early learning and school age childcare. To achieve this level of equity in accessing services FCSS will continue to campaign for the following actions:

- All parents to have the right to use their weekly allocation of funded hours in a fully flexible model that fits around their working life/family needs. All 32 of Scotland's Local Authorities must support this across their early learning and childcare provision. All providers to offer increased flexibility in delivery models.
- Funded support for out of school care in primary years; possibly through an out of school club service in each primary or where schools/demand is small in each primary cluster. Delivered in partnership with local childcare providers, managed in a similar way to Early Learning and Childcare (ELC) partnership contracts
- Innovative solutions to meet early learning and childcare needs in rural areas where provision is limited due to low numbers.
- Standardised funding level for all ELC providers, so partners and Local Authority settings are on an even footing, with consideration given to funding uplifts for families from the six priority groups identified in the Tackling Child Poverty report
- Increased funding for training of mature entrants to the sector, boosting workforce capacity, diversity and quality and enabling providers to flex their staffing levels in line with varying attendance patterns for children.
- Appropriate care or respite provision for children with additional support needs across Scotland including after school, Saturday activity groups and holiday playschemes. Funded via social work budgets and/or self-directed support money.
- Paediatric First Aid training to be in place across the childcare workforce



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Trustees' Annual Report (continued)

Statement of Trustee Responsibilities

The Trustees are responsible for preparing 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.

This report was approved by the trustees on 20th December 2023 and signed on their behalf by

Kevin J E Cadman,

Chair of the Board



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Year ended 31 March 2023

Independent Auditors' report to the trustees of Flexible Childcare Services Scotland SCIO

Opinion

We have audited the financial statements of Flexible Childcare Services Scotland ('the charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 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.

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 charity 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.

Material uncertainty related to going concern

We draw attention to Note 1.2 in the financial statements, which indicates that the charity's forecasts rely on funding which is not yet confirmed. These conditions, along with other matters outlined in the relevant parts of the Trustees' Annual Report, indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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



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**Independent auditors' report to the trustees of Flexible Childcare Services Scotland SCIO
(continued)**

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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 this gives rise to 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 set out on page 9, the trustees are responsible for the preparation of the financial statements which 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.



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Year ended 31 March 2023

**Independent auditors' report to the trustees of Flexible Childcare Services Scotland SCIO
(continued)**

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) 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 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. 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 charity and the industry in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, 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 or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to the Charities and Trustees Investment Act (Scotland) 2005 and Charities Accounts (Scotland) Regulations 2006. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management. There are inherent limitations in the audit procedures described above 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 would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of 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 Auditors' report.



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**Independent auditors' report to the trustees of Flexible Childcare Services Scotland SCIO
(continued)**

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 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

EQ Audit Services LLP

EQ Audit Services LLP

14 City Quay
Dundee
DD1 3JA

Date: *20 December 2023*

EQ Audit Services LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations 2006 by virtue of its eligibility under section 1212 of the Companies Act 2006.



FLEXIBLE CHILDCARE SERVICES SCOTLAND
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Year ended 31 March 2023

Consolidated Statement of Financial Activities (Incorporating consolidated income and expenditure account)

		Restricted Funds	Unrestricted Funds	2023 Total	Restricted Funds	Unrestricted Funds	2022 Total
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies		49,783	3,514	53,297	30,000	12,310	42,310
Charitable activities		271,888	2,451,438	2,723,326	569,415	2,201,213	2,770,628
Other income		-	30,615	30,615	-	5,908	5,908
Other trading activities		-	175,000	175,000	-	-	-
Total income	3	321,671	2,660,567	2,982,238	599,415	2,219,431	2,818,846
Expenditure on:							
Charitable activities		276,150	2,736,447	3,012,597	448,793	2,075,194	2,523,987
Raising funds		-	199,703	199,703	-	-	-
Total expenditure	4	276,150	2,936,150	3,212,300	448,793	2,075,194	2,523,987
Net income / (expenditure)	7	45,521	(275,583)	(230,062)	150,622	144,237	294,859
Transfer between funds	13, 14	-	-	-	-	-	-
Net movement in funds	13, 14	45,521	(275,583)	(230,062)	150,622	144,237	294,859
Total funds brought forward		653,087	316,495	969,582	502,465	172,258	674,723
Total funds carried forward at 31 March 2023	13, 14	698,608	40,912	739,520	653,087	316,495	969,582

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 35 form part of the financial statements



FLEXIBLE CHILDCARE SERVICES SCOTLAND

(a Scottish Charitable Incorporated Organisation)

Year ended 31 March 2023

Charity Statement of Financial Activities (Incorporating income and expenditure account)

		Restricted Funds	Unrestricted Funds	2023 Total	Restricted Funds	Unrestricted Funds	2022 Total
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies		49,783	3,514	53,297	30,000	12,310	42,310
Charitable activities:							
Childcare		271,888	2,451,438	2,723,326	569,415	2,201,213	2,770,628
Other income:							
Miscellaneous income		-	31,979	31,979	-	5,908	5,908
Total income	3	321,671	2,486,930	2,808,601	599,415	2,219,431	2,818,846
Expenditure on:							
Charitable activities:							
Childcare		276,150	2,736,447	3,012,597	138,747	2,075,194	2,213,941
Software development		-	-	-	310,046	-	310,046
Total expenditure	4	276,150	2,736,447	3,012,597	448,793	2,075,194	2,523,987
Net income / (expenditure)	7	45,521	- 249,517	203,996	150,622	144,237	294,859
Transfer between funds	13, 14	-	-	-	-	-	-
Net movement in funds	13, 14	45,521	- 249,517	203,996	150,622	144,237	294,859
Total funds brought forward		653,087	316,495	969,582	502,465	172,258	674,723
Total funds carried forward at 31 March 2023	13, 14	698,608	66,978	765,586	653,087	316,495	969,582

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 35 form part of the financial statements.



FLEXIBLE CHILDCARE SERVICES SCOTLAND
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Year ended 31 March 2023
Consolidated Statement of Financial Position

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	9		932,458		764,149
			<u>932,458</u>		<u>764,149</u>
Current assets					
Debtors	10	271,210		220,330	
Cash at bank		<u>302,759</u>		<u>369,418</u>	
		573,969		941,344	
Current liabilities					
Creditors falling due within one year	11	<u>(517,636)</u>		<u>(304,815)</u>	
Net current assets			56,333		284,933
Creditors falling due greater than 1 year	12		(249,271)		(79,500)
Net assets			<u><u>739,520</u></u>		<u><u>969,582</u></u>
Reserves					
Restricted Funds	13		698,608		653,087
Unrestricted Funds:					
General funds	14		40,912		316,495
			<u><u>739,520</u></u>		<u><u>969,582</u></u>

The notes on pages 17 to 35 form part of the financial statements.

Approved and authorised for issue by the Board and signed on its behalf by

Kevin J E Cadman,
Chair of the Board

Dated: 20th December 2023



FLEXIBLE CHILDCARE SERVICES SCOTLAND

(a Scottish Charitable Incorporated Organisation)

Year ended 31 March 2023

Charity Statement of Financial Position

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investments	18		1		-
Tangible fixed assets	9		932,458		764,149
			<u>932,459</u>		<u>764,149</u>
Current assets					
Debtors	10	281,572		220,330	
Cash at bank		<u>205,851</u>		<u>369,418</u>	
		487,423		941,344	
Current liabilities					
Creditors falling due within one year	11	<u>(405,024)</u>		<u>(304,815)</u>	
Net current assets			82,399		284,933
Creditors falling due greater than 1 year	12		(249,271)		(79,500)
Net assets			<u><u>765,586</u></u>		<u><u>969,582</u></u>
Reserves					
Restricted Funds	13		698,608		653,087
Unrestricted Funds:					
General funds	14		66,978		316,495
			<u><u>765,586</u></u>		<u><u>969,582</u></u>

The notes on pages 17 to 35 form part of the financial statements.

Approved and authorised for issue by the Board and signed on its behalf by

Kevin J E Cadman,
Chair of the Board

Dated: 20th December 2023



FLEXIBLE CHILDCARE SERVICES SCOTLAND
(a Scottish Charitable Incorporated Organisation)

Year ended 31 March 2023

Consolidated Statement of Cash Flows

	Group 2023	Charity 2023	Charity 2022
	£	£	£
Net income for the period	(230,062)	(203,996)	294,859
Adjustments for:			
Decrease/(Increase) in trade and other receivables	(50,880)	(61,242)	34,641
Increase/(decrease) in trade payables	197,091	84,480	(452,545)
Depreciation	3,114	3,114	1,995
Net cash used in operating activities	(80,737)	(177,644)	(121,050)
Cash flows from investing activities			
Purchase of tangible fixed assets	(171,423)	(171,423)	(269,505)
Sale of tangible fixed assets	-	-	600
Net cash provided by investing activities	(171,423)	(171,423)	(268,905)
Cash flows from financing activities			
Repayment of borrowings	(14,500)	(14,500)	(2,000)
Loans advanced	200,000	200,000	75,000
Net cash provided by investing activities	185,500	185,500	73,000
Net movement in cash and cash equivalents for the year	(66,660)	(163,567)	(316,955)
Cash and cash equivalents brought forward	369,418	369,418	686,373
Cash and cash equivalents carried forward	302,758	205,851	369,418



**FLEXIBLE CHILDCARE SERVICES SCOTLAND
(a Scottish Charitable Incorporated Organisation)**

Year ended 31 March 2023

Notes to the financial statements

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 (effective January 2015), Charities Accounts (Scotland) Regulations 2006 and follow the recommendations in Charities SORP (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) regulations 2006.

The charity was incorporated in Scotland, UK, is a Scottish charitable incorporated organisation and has charity number and registered office as per the cover page to these financial statements. The charity's principal activity is as disclosed per the report of the trustees. The functional currency used is GBP and level of rounding is to the nearest pound.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires the charity to exercise judgement in applying the entity accounting policies (see note 2 below).

For the purposes of FRS 102 the entity is designated as a public benefit entity.

1.2 Going concern

Flexible Childcare Services Scotland was established in 2020, just before the global pandemic of COVID-19 took hold, and the Trustees recognise that the organisation has not yet built sufficient reserves to meet its reserves policy due to the challenging operating environment the organisation has faced since its inception.

Whilst some services are still in their infancy, the organisation has continued to grow, and the Trustees recognise that the new services will take time to reach a financial position where they are covering their costs. The organisation's Leadership and Management teams have established strong working relationships with funders, regulators, Scottish Government, and other third-party organisations. The organisation has built on these strong foundations to add additional services and source further funds thus achieving sustainable growth in turnover, geographic coverage, and the range of services delivered.

The Trustees recognise the current reliance on external funding and have considered long term cashflow projections and budget forecasts for at least 12 months from the date of approval of these financial statements. The Trustees continue to review and challenge these projections and forecasts, and action mitigating measures in good time to ensure sustainability. The forecasts show that the charity is able to continue as a going concern, however, they include income that is not yet secured. This income is in the form of grants and donations and due to the nature of this income, it is difficult to predict the likelihood and amount of future income. As not all income has been currently secured, the Trustees conclude that these conditions result in a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Trustees as a result conclude that material uncertainty over going concern exists.

Although the charity has not fully secured the required level of third-party funding for the next 12 months, trustees are confident of obtaining this support. On that basis, the Trustees can conclude the accounts can be prepared on a going concern basis.

We work with a number of funders including the Social Innovation Partnership, a collaboration between the Scottish Government and the Hunter Foundation. We are also supported via a multiyear support package with new philanthropy fund, the Catalyst for Impact Fund who support our goals and our work.



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Notes to the financial statements (continued)

1.3 Expenditure

Expenditure is charged to a particular activity where the cost relates directly to that activity.

Support costs not directly related to an activity are apportioned based on staff time.

Governance costs are included within support costs in childcare charitable activity as this is the core activity of the charity. The costs are charged directly to the Statement of Financial Activities when incurred and include audit and accountancy fees and any trustees' expenses.

Expenditure on fixed assets is capitalised except if the item cost less than £1,000.

1.4 Income

Grants are recognised in full in the Statement of Financial Activities in the year in which they relate and when the conditions of the grant have been met. The conditions for the grant being met are assessed against the criteria of entitlement to the income, ability to measure the economic benefit, and it is probable that the flow of economic benefit to the charity will occur. Any deferred element of grants is included in creditors as deferred income.

Grants relating to expenditure of tangible fixed assets are credited to the Statement of Financial Activities at the same rate as the depreciation on the assets to which the grants relate.

Income from services is recognised when the service has been performed and the income is receivable.

Income received by way of donations and gifts is included in full in the Statement of Financial Activities when the three criteria of the charities SORP (entitlement, measurement, and probability) are met.

Income from investments is included when receivable.

1.5 Government Grants

Grants relating to expenditure of tangible fixed assets are credited to the Statement of Financial Activities at the same rate as the depreciation on the assets to which the grants relate.

Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

1.6 Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on tangible fixed assets at rates calculated to reduce the assets to their residual values by the end of their useful lives. The rates adopted are as follows:

Land and Buildings	2% -10% straight line
Tenant's improvements	25% straight line
Plant and Equipment	10% straight line
Motor vehicles	25% straight line
Equipment	25% straight line

Where an asset is deemed to have no residual value but is still retained, it may be written off in full. Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Notes to the financial statements (continued)

1.7 Assets under construction

Incomplete property construction costs are initially capitalised as Assets under construction until fully completed, after which all costs will be transferred to Land and Buildings and depreciated accordingly.

1.8 Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

1.9 Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities and the Income and Expenditure account as incurred over the term of the lease.

1.10 Funds accounting

Unrestricted funds are donations and other incoming resources receivable for the objects of the charity without further specified purpose and are available as general funds. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of management and support costs.

1.11 Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

1.12 Financial Instruments

The charity only enters basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Notes to the financial statements (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the charity would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the charity's cash management.

2. Key judgement and areas of estimation uncertainty

The key judgements and sources of estimation uncertainty in the preparation of the financial statements are as follows:

- **Grants receivable**

The level and timing of income and expenditure in relation to grants is an area of key judgement as it is determined for accounting purposes by referring to the conditions of grant. Grants receivables are recognised in so far as the conditions attached to the grant have been met and have been demonstrated to the grant giver. The level and timing of provision to grant recipients is determined by monitoring grant criteria and ensuring that conditions are being met.



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Notes to the financial statements (continued)

3. Income

Group	Restricted Funds £	Unrestricted Funds £	2023 Total £
Donations & legacies from:			
Donations & legacies	4,000	3,514	7,514
Grants	45,783	-	45,783
	49,783	3,514	53,297
Charitable activities from:			
Sales and services	-	2,245,496	2,245,496
Grants	271,888	205,942	477,830
	271,888	2,451,438	2,723,326
Other Income:			
Miscellaneous income	-	31,979	31,979
Other trading activities:			
Software development	-	175,000	175,000
Total income	321,671	2,661,930	2,983,601
	Restricted Funds £	Unrestricted Funds £	2022 Total £
Donations & legacies from:			
Donations & legacies	20,000	12,310	32,310
Grants	10,000	-	10,000
	30,000	12,310	42,310
Charitable activities from:			
Sales and services	-	1,756,766	1,756,766
Grants	569,413	444,449	1,013,862
	569,413	2,201,215	2,770,628
Other Income:			
CJRS	-	5,908	5,908
Total income	599,413	2,219,433	2,818,846



**FLEXIBLE CHILDCARE SERVICES SCOTLAND
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Year ended 31 March 2023

Notes to the financial statements (continued)

3. Income (continued)

Charity	Restricted Funds £	Unrestricted Funds £	2023 Total £
Donations & legacies from:			
Donations & legacies	4,000	3,514	7,514
Grants	45,783	-	45,783
	49,783	3,514	53,297
Charitable activities from:			
Sales and services	-	2,245,496	2,245,496
Grants	271,888	205,942	477,830
	271,888	2,451,438	2,723,326
Other Income:			
Miscellaneous income	-	31,979	31,979
Total income	321,671	2,486,930	2,808,601

	Restricted Funds £	Unrestricted Funds £	2022 Total £
Donations & legacies from:			
Donations & legacies	20,000	12,310	32,310
Grants	10,000	-	10,000
	30,000	12,310	42,310
Charitable activities from:			
Sales and services	-	1,756,766	1,756,766
Grants	569,413	444,449	1,013,862
	569,413	2,201,215	2,770,628
Other Income:			
CJRS	-	5,908	5,908
Total income	599,413	2,219,433	2,818,846



FLEXIBLE CHILDCARE SERVICES SCOTLAND

(a Scottish Charitable Incorporated Organisation)

Year ended 31 March 2023

Notes to the financial statements (continued)

4. Analysis of expenditure

Group

	Activities undertaken directly	Support costs	2023 £
Charitable activities			
Childcare	2,455,000	557,597	3,012,597
Other trading activities			
Software development	199,703	-	199,703
Total expenditure	2,654,703	557,597	3,212,300

	Restricted	Unrestricted	2023 £
Charitable activities			
Childcare	276,150	2,736,447	3,012,597
Other trading activities			
Software development	-	199,703	199,703
Total expenditure	276,150	2,936,150	3,212,300

	Activities undertaken directly	Support costs	2022
Charitable activities			
Childcare	1,919,470	294,471	2,213,941
Software development	195,776	114,270	310,046
Total expenditure	2,115,246	408,741	2,523,987

	Restricted	Unrestricted	2022
Charitable activities			
Childcare	138,747	2,075,194	2,213,941
Software development	310,046	-	310,046
Total expenditure	448,793	2,075,194	2,523,987



**FLEXIBLE CHILDCARE SERVICES SCOTLAND
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Year ended 31 March 2023

Notes to the financial statements (continued)

4. Analysis of expenditure (continued)

Charity

	Activities undertaken directly	Support costs	2023 £
Charitable activities			
Childcare	2,455,000	557,597	3,012,597
Software development	-	-	-
Total expenditure	2,455,000	557,597	3,012,597

	Restricted	Unrestricted	2023 £
Charitable activities			
Childcare	276,150	2,736,447	3,012,597
Software development	-	-	-
Total expenditure	276,150	2,736,447	3,012,597

	Activities undertaken directly	Support costs	2022
Charitable activities			
Childcare	1,919,470	294,471	2,213,941
Software development	195,776	114,270	310,046
Total expenditure	2,115,246	408,741	2,523,987

	Restricted	Unrestricted	2022
Charitable activities			
Childcare	138,747	2,075,194	2,213,941
Software development	310,046	-	310,046
Total expenditure	448,793	2,075,194	2,523,987



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Notes to the financial statements (continued)

5. Support cost breakdown by activity

	Basis of allocation	Childcare	Software Development	2023 £
Management	Staff time	391,407	-	391,407
Finance	Staff time	146,008	-	146,008
Human Resources	Activity	5,468	-	5,468
Governance costs (see below)	Activity	14,714	-	14,714
Total support costs		557,597	-	557,597

	Basis of allocation	Childcare	Software Development	2022 £
Management	Staff time	221,875	84,050	305,925
Finance	Staff time	60,139	28,681	88,820
Human Resources	Activity	4,892	604	5,496
Governance costs (see below)	Activity	7,565	935	8,500
Total support costs		294,471	114,270	408,741

Governance costs

	Group 2023 £	Charity 2023 £	Charity 2022 £
Audit & accountancy	17,514	14,714	8,500
	17,514	14,714	8,500



FLEXIBLE CHILDCARE SERVICES SCOTLAND
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Notes to the financial statements (continued)

6. Employment costs

	Group 2023	Charity 2023	Charity 2022
	£	£	£
Gross salaries	2,116,171	2,116,171	1,577,415
Employers National Insurance	139,914	139,914	96,398
Employer's pension contributions	117,276	117,276	96,813
	2,373,361	2,373,361	1,770,626

No employees earned more than £60,000 per annum. (2022 – Nil)

The average number of staff employed was as follows:

	Group 2023	Charity 2023	Charity 2022
Senior management	1	1	1
Management	5	5	5
Admin and support	6	6	7
Childcare and project workers	174	174	144
	186	186	157

No trustee received any remuneration for their service as trustee.

7. Net income / (expenditure)

	Group 2023	Charity 2023	Charity 2022
	£	£	£
Net expenditure is stated after charging:			
Auditor's remuneration for audit services	17,514	14,714	8,500
Depreciation	3,114	3,114	1,995
Operating lease rentals	19,898	19,898	16,807
Interest charge	6,970	6,970	1,645

8. Taxation

The organisation is non-profit making and is recognised as a charity by HM Revenue and Customs.

There are no activities which fall within the scope of corporation tax and therefore, no provision has therefore been made for corporation tax.



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Notes to the financial statements (continued)

9. Fixed Assets (Group & Charity)

	Land & Buildings £	Motor Vehicles £	Fixtures & Fittings £	Plant & Equipment £	Assets Under Construction	Total £
Cost						
At 1 April 2022	3,501	7,699	-	270	756,869	768,339
Additions	-	3,200	3,192	-	165,031	171,423
Disposals	-	-	-	-	-	-
At 31 March 2023	3,501	10,899	3,192	270	921,900	939,762
Depreciation						
At 1 April 2022	70	3,850	-	270	-	4,190
Charge for the year	70	2,725	319	-	-	3,114
On disposal	-	-	-	-	-	-
At 31 March 2023	140	6,575	319	270	-	7,304
Net book value						
At 1 April 2022	3,431	3,849	-	-	756,869	764,149
At 31 March 2023	3,361	4,324	2,873	-	921,900	932,458

Assets under construction include the cost of the ongoing works for the Fintry Nursery Project. The full cost will be transferred to Land and Buildings and depreciated on completion of the project.

10. Debtors

	Group 2023 £	Charity 2023 £	Charity 2022 £
Trade debtors	176,339	155,338	84,116
Other debtors and prepayments	35,244	35,244	41,501
Accrued grant income	59,626	59,626	94,713
Due by group company	-	31,364	-
	271,209	281,572	220,330



FLEXIBLE CHILDCARE SERVICES SCOTLAND
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Year ended 31 March 2023
Notes to the financial statements (continued)

11. Creditors: amounts falling due within one year

	Group	Charity	Charity
	2023	2023	2022
	£	£	£
Trade creditors	53,442	44,140	126,320
Accruals and other creditors	374,500	271,700	127,617
Tax and social security	36,686	36,176	24,834
Pension Contributions	22,779	22,779	11,544
Loans due < 1 year	30,229	30,229	14,500
	517,636	405,024	304,815

Included within accruals and other creditors is deferred income totalling £132,664 (2022 - £42,234), for which entitlement to the income does not arise until the next accounting period.

12. Creditors: amounts falling due after one year

	Group	Charity	Charity
	2023	2023	2022
	£	£	£
Loans due 1-2 years	30,229	30,229	20,750
Loans due 2-5 years	219,042	219,042	58,750
	249,271	249,271	79,500

The balance due to Care and Learning Alliance is an unsecured, interest free loan repayable at £2,000 per annum.

The balance due to Social Investment Scotland, via the Adapt & Thrive Programme is unsecured and interest free, with repayments commencing in August 2022, at a rate of £1,562.50 per month, for 48 months.

During the year, the charity entered into a further loan agreement with Social Investment Scotland, via the Recovery & Resilience Programme, of £200,000. This loan is unsecured, with interest charged at 3% per annum, with repayments commencing in January 2024 for a period of 59 months.



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Notes to the financial statements (continued)

13. Restricted funds (Group and Charity)

	At 1 April 2022	Income	Expenditure	Transfer between funds	At 31 March 2023
	£	£	£	£	£
Access to Childcare	132,325	-	-		132,325
Scottish Government	450,000	-	-		450,000
The Tay Charitable Trust	5,000	-	-		5,000
Keep Scotland Beautiful	262	-	(262)		-
Dundee City Council Partnership Funding	27,000	-	-		27,000
The Leng Charitable Trust	20,000	-	-		20,000
Hugh Fraser Foundation	10,000	-	-		10,000
Peter Vardy Foundation	8,500	-	-		8,500
Social Innovation Partnership	-	264,456	(264,456)		-
Trade Widows	-	4,000	(4,000)		-
Aberdeen Council Sustainability Grant	-	7,432	(7,432)		-
Regeneration Capital Grant Funding	-	40,783	-		40,783
The Northwood Trust	-	5,000	-		5,000
Total restricted funds	653,087	321,671	(276,150)	-	698,608

Each of the headings noted above contain individual restricted funds which have purpose as noted below:

- *Access to Childcare – to establish a new out of school facility in Fraserburgh, Aberdeenshire and develop the out of school care services in Fintry, Dundee.*



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Year ended 31 March 2023

Notes to the financial statements (continued)

- *Scottish Government – to support the capital renovation works of the Fintry Nursery, Dundee*
- *The Tay Charitable Trust – to support the capital renovation works of the Fintry Nursery, Dundee*
- *Keep Scotland Beautiful – to purchase capital assets that will promote community awareness of climate change*
- *Dundee City Council Partnership Funding – to support the capital renovation works of the Fintry Nursery, Dundee*
- *The Leng Charitable Trust – to support the cost of the new kitchen at Fintry Nursery, Dundee*
- *Hugh Fraser Foundation – to support the capital renovation works of the Fintry Nursery, Dundee*
- *Social Innovation Partnership – in partnership with The Hunter Foundation, funding is to support the software development and a scalable system change model*
- *Peter Vardy Foundation – grant towards therapeutic sessions and support for school aged children*
- *Trade Widows – awarded to Tillydrone and Cummings Park nurseries to purchase resources*
- *Aberdeen Council Sustainability Grant – awarded by Aberdeen Council to assist with sustainability at Hillside Out of School Club*
- *Regeneration Capital Grant Funding – awarded by Scottish Government for Phase 2 of the capital renovation works of the Fintry Nursery, Dundee*
- *The Northwood Trust – to support the capital renovation works of the Fintry Nursery, Dundee*

14. Unrestricted funds

	At 1 April 2022	Income	Expenditure	Transfer between funds	At 31 March 2023
	£	£	£	£	£
General funds	316,495	2,455,567	(2,705,083)	-	66,978
General funds - subsidiary	-	205,000	(231,067)	-	(26,067)
Total unrestricted funds	316,495	2,660,567	(2,936,150)	-	40,912



FLEXIBLE CHILDCARE SERVICES SCOTLAND

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Notes to the financial statements (continued)

15. Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Fixed assets	242,350	690,108	932,458	764,149
Current assets	546,902	27,067	573,969	589,748
Current liabilities	(502,429)	(15,207)	(517,636)	(304,815)
Non-current liabilities	(249,271)	-	(249,271)	(79,500)
	37,552	701,968	739,520	969,582

Company

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Fixed assets	242,350	690,108	932,458	764,149
Current assets	460,356	27,067	487,423	589,748
Current liabilities	(389,817)	(15,207)	(405,024)	(304,815)
Non-current liabilities	(249,271)	-	(249,271)	(79,500)
	63,618	701,968	765,586	969,582

16. Operating lease commitments

The charity had total commitments under operating leases as follows:

Group and Company	2023	2022
	£	£
Less than 1 year	33,555	11,429
Between 1 and 5 years	141,542	97,284
	175,097	108,713



FLEXIBLE CHILDCARE SERVICES SCOTLAND
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Notes to the financial statements (continued)

17. Related party transactions

Expenses totalling £70 (2022 - £145) were reimbursed to trustees during the year. No amounts were paid to trustees in relation to provision of services.

Key management personnel include all trustees and 7 members of senior staff who together have responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management for services provided to the charity in the year was £391,407 (2022 – £332,620).

Balances and transactions between the charity and its wholly owned subsidiary, Caerus Opportunities Limited, have been eliminated on consolidation in these Group accounts and are exempted from disclosure in accordance with paragraph 1.12(e) of FRS 102.

18. Fixed Asset Investments

Company	Unlisted Investments £
At 31 March 2023	<u>1</u>

Unlisted Investments relate entirely to Flexible Childcare Services Scotland SCIO's beneficial interest in it's trading subsidiary, Caerus Opportunities Limited. It is represented by one £1 ordinary share held in Caerus Opportunities Limited (company number SC722627).

Caerus Opportunities Limited, incorporated in Scotland, is a wholly owned trading subsidiary of Flexible Childcare Services Scotland SCIO, established in order to develop flexible childcare management software on behalf of the Group.

Net assets of Caerus Opportunities Limited as at 31st March 2023 totalled (£26,066) which comprised of Fixed Assets £Nil, Current Assets of £117,909 and Liabilities of £143,975. Relevant financial information regarding Caerus Opportunities Limited for the year ended 31st March 2023 is as follows:



FLEXIBLE CHILDCARE SERVICES SCOTLAND

(a Scottish Charitable Incorporated Organisation)

Year ended 31 March 2023

Notes to the financial statements (continued)

18. Fixed Asset Investments (continued)

	2023
	£
Turnover	175,000
Cost of sales	<u>(226,915)</u>
Gross profit/(loss)	(51,915)
Other operating income	30,000
Administrative expenses	<u>(4,152)</u>
Operating profit/(loss)	<u>(26,067)</u>
Profit/(loss) on ordinary activities before taxation	<u>(26,067)</u>