



Annual Report and Financial Statements

Year ended 31st March 2025

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Reference and Administrative Details

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

Registered Scottish Charity No	SC016092
Registered Office	83 Whitehouse Loan, Edinburgh, EH9 1AT
Patron and President	Vacant
Vice Presidents	The Rt. Hon. The Lord Provost of Edinburgh The Rt. Hon. The Lord Provost of Glasgow The Lord Provost of Aberdeen The Lord Provost of Dundee

Leadership

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

Chair	Maggie Craig (until November 2024)
Vice Chair	Stella Everingham (until September 2024)
Interim Chair	Joy Barlow MBE (from November 2024)
Vice Chair	Rosemary McGinness (from November 2024)
Hon. Treasurer	Brian Davidson MA, CA
Hon. Law Agent	Melissa Rutherford LLB (Hons) (until June 2025)
Board Members	Paul Embleton Joy Barlow (until October 2024) Rosemary McGinness (until October 2024) Anne Hughes BA Hons Lloyd Gwishiri (from September 2024) Farah Mohammed Malcolm Graham (from September 2024)

Executive management is delegated to the chief executive and four directors

Chief Executive	Mary Glasgow
Director of Children and Family Services	Linda Jardine
Director of Finance and Corporate Services	Mairi McReynolds
Director of Fundraising, Marketing & Comms	Michelle Supple
Director of People and Culture	Jennifer Allan

Professional Advisors

Auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Banker	Bank of Scotland 426 Morningside Road Edinburgh, EH10 5QF
Insurance Broker	Marsh Commercial Chartered Insurance Brokers G1 Building 5 George Square Glasgow G2 1AR
Pension Advisor	Argyle Consulting Limited 10 Charlotte Square Edinburgh EH2 4DR
Solicitor	Shoosmiths LLP 9 Haymarket Square Edinburgh EH3 8RY
Solicitor	Blackadders LLP 53 Bothwell Street Glasgow G2 6TS
Solicitor	Morton Fraser MacRoberts LLP 2 Lister Square Quartermile Two, Simpson Loan

Investment Advisor and Manager

Edinburgh EH3 9GL

Brewin Dolphin
Atria One, 144 Morrison Street
Edinburgh, EH3 8BR
(up to October 2024)

LGT Wealth Management
Capital Square, 58 Morrison Street
Edinburgh, EH3 8BP
(From October 2024)

Trustees' Report

Foreword from the chair

As I reflect on the past year, I'm proud of the lifechanging impact Children First has had on babies, children, young people and families across Scotland.

Highlights included marking the first birthday of Scotland's first Bairns Hoose and celebrating our role in the development of Bairns Hoose projects in other areas of Scotland.

The Children First Bairns Hoose in North Strathclyde helped 270 child victims and witnesses in its first year to heal and recover from unimaginable trauma and abuse. It is hard to think about, but the youngest child supported was just three years old.

Another milestone was the historic incorporation of the UN Convention on the Rights of the Child into Scots law. We played a crucial part in the campaign to advocate for this important change, to ensure that children's human rights are better protected and respected in the future.

Thanks to 'Keep the Promise' funding and our belief that children do well when families do well, we continued to work with national and international partners to campaign for every child to have access to family group decision making, if they need it.

But most importantly of all, through our dedicated teams, we supported 19,800 individual children and adults across Scotland. We protected children from harm, kept them safe, and helped them to recover from trauma and abuse through our national support line and in their homes, schools and communities across Scotland.

Our support line worked with close to 1,800 families to provide financial wellbeing support and advice that helped families secure more than £2.3 million in financial benefits and deal with over £830,600 in debts.

We are committed to being there for all Scotland's children and recognise the challenges ethnically diverse communities have in getting support they need. A high point this year was an exhibition of anti-racist artwork created by children from Barmulloch Primary School in Glasgow. The children's work reflected on how racism had impacted on them personally and they designed their own anti-racist allies. Children told us traits of a good anti-racist ally include being brave, assertive and courageous.

To make life better for all children in Scotland, we need to be bolder and braver. While our purpose, to protect all Scotland's children, remains the same, we refreshed and evolved our brand in 2024 to help us meet the needs of a new generation.

Today's children are facing unprecedented challenges. Abuse, trauma, neglect, poverty and online harm are having a devastating impact on their childhood years. Almost two-thirds of adults we surveyed believe growing up in Scotland is harder today than ever before. This needs to stop.

As we look to the year ahead, we are working hard on reviewing and developing our new strategic priorities which will launch in early 2026.

At the heart of these will remain our determination to stand up for every child because all children should have a safe childhood. Every baby, child and young person should have hopes, dreams and opportunities.

Our heartfelt thanks to all of our Children First colleagues whose dedication makes a life-changing difference to families every day, and to Maggie Craig and Stella Everingham for their invaluable contribution as chair and vice chair.

We are so grateful for all the donations, campaigning, volunteering, fundraising and partnerships which have brought about the transformative changes for children set out in this report.

Together we can secure a brighter future for Scotland's children.



Joy Barlow MBE, Interim Chair, Children First 2nd September 2025

1 Summary of our impact in 2024/2025

Children First supported over 10,100 children and 9,700 adults in over 4,400 families in 2024/2025.

We believe when families do well, children do well. We support family members of all ages by providing practical, emotional and financial support. We work alongside families to protect children from harm and to help them to recover from abuse.

We work with family members individually and together to build strong, safe relationships to help improve children's lives so they can have a brighter future.

This is reflected in the range of people we supported during the financial year. Fifty one percent of all those we supported were children aged 18 or under, and the rest were adult family members. In total, we supported 19,800 people from Shetland to the Scottish Borders in 2024/2025.

1.1 Delivering our strategic priorities

Our strategic priorities to 2025 focus on three core areas of work: prevention, protection and recovery.

1.2 Preventing harm

Campaigning

We campaign for change because we believe that every child should have a safe and happy childhood.

Our campaign priorities are based on what the children and young people we support tell us matters most. We make sure their voices are heard as we work with partners, decision-makers and politicians, to champion the changes that will protect children from harm and ensure their rights are fulfilled.

Last year the UN Convention on the Rights of the Child was incorporated into Scottish law. We are proud to have been part of the campaign to advocate for this change, to ensure that children's human rights are better protected and respected in the future.

We continued to lead a collaborative movement of national and international partners to build momentum for every child to be offered family group decision making when they are facing a decision about their care, thanks to 'Keep the Promise' funding.

Our expert team informed a range of Scottish Government and parliamentary work from the Scottish Budget to improving the justice system for children and young people.

We also supported the development of the 'Promise', which is Scotland's commitment to care experienced children and young people that they will grow up loved, safe and respected.

Some of the children and young people we work with had the unique opportunity to visit and share their wishes with the First Minister in December 2024 after he chose Children First to benefit from his Christmas card.

A bold, refreshed brand

To make life better for all children in Scotland, we need to be bolder and braver. As a charity we need to adapt and evolve to meet the needs of a new generation which is why in 2024/25 we refreshed and evolved the Children First brand.

*We want everyone to know who we are and that we are here to protect **all** Scotland's children. By refreshing our brand, we hope to raise more funds so we can do even more of our life-saving work.*

Improving our reach

In 2024/2025, 57% of the children and family members Children First supported identified as being White and the ethnicity information for 39% of children and family members we supported was

unknown. Two percent of the children and families we supported were Asian, Scottish Asian or British Asian. One percent of the children and families we supported were African, Scottish African or British African, Caribbean or Black or from mixed or multiple ethnic groups or from other ethnic groups.

With poverty underscoring many of the challenges facing children and families we support and children from Asian, African and Black families disproportionately living in poverty, Children First continued to develop services to improve our reach, support and impact with and alongside ethnically diverse communities in 2024/2025.

Money worries and housing were the top two challenges faced by the children and families we support through the Whole Family Equality Project in Edinburgh, with partners CHAI, LinkNet, Passion 4Fusion and Volunteering Matters.

The project, which ended in March 2025 after three successful years, supported children and families from ethnically diverse families to keep their children safe from harm. A positive impact was made on families by supporting them with strengthening relationships, social integration and navigating parenting in Scotland. The project also helped families to overcome barriers to education and employability and to maximise their income.

Through this work we have identified and worked with partners to address barriers to support including communication, understanding of cultural needs and social isolation. We have incorporated this learning into our practice and within an anti-racism training package that we are currently facilitating within Children First.

Helping families across Scotland

As part of our wider brand refresh, Children First Parentline was rebranded as Children First support line in late 2024. The support line helped close to 5,200 people in nearly 1,800 families in 2024/2025 by phone call, online chat and email.

Many people who spoke to Children First support line did so through an incoming call (42% of total callers). Twenty percent of total callers contacted us via online chat. The top five challenges families contacted Children First support line about were: their child's emotional wellbeing (65%), family relationships (51%), parents' mental health (42%), family separation (29%) and general parenting issues (34%).

Developing family support services in local communities

Children First offered community-based support to children and their families in 18 local authorities in Scotland in 2024/2025, as well as to all children in Scotland through our five national services.

We invested in the work of the North Ayrshire service this year to support families who are impacted by drugs and alcohol with the aim to reduce drug related deaths. The project provides early help and crisis support to families, one to one work, groups and outreach events alongside detox and rehabilitation services. Drop in events to the local community, consultation and engagement opportunities, group work in local schools, a parents' group and teen group are also provided. The work of the service is helping families take steps towards a more positive future and is strengthening the local community.

Bide Oot

Bide Oot came to an end in March 2025 after three years of making a positive impact on the lives of children and families.

A new evaluation report published at that time shone a light on how Bide Oot has helped children and families to strengthen relationships with each other, make new friends, build their confidence and transformed their mental health and emotional wellbeing. For many families the time outdoors together has led to them leading more active lives.

Since launch Bide Oot has given 135 families who work with Children First the chance to try new skills, sports and activities together during residential weekends at an outdoor education centre in the Scottish countryside and special days out together.

In 2024/2025 the Children First Bide Oot team directly supported 247 children and 269 adults through 91 different Bide Oot sessions.

Reducing the impact of poverty

We supported families by offering money advice, preventing children from experiencing the worst impact of poverty and supporting them to claim over £2.3 million due to them in 2024/2025. Our support line worked with families in their own homes and communities to offer emotional support with the impact of money worries on families' mental health as well as the practical aspects of applying for entitlements, managing debt and building financial resilience. The support line team achieved a 23% increase in financial gain for families compared to the previous year.

1.3 Protection

Working with communities and partners to protect children

Two of our five national services, Child Wellbeing and Protection in Sport (CWPS) and the Safeguarders Panel Team, work with specific partners and communities to protect children from harm. Child Wellbeing and Protection in Sport worked on 374 enquiries relating to keeping children safe in sport in 2024-2025. The majority of partners they worked with were from sports' governing bodies (66%). Other partners Child Wellbeing and Protection in Sport worked with were sports clubs (10%) and parents and carers (6%).

The team focused on children's human rights in sport and hosted a national conference and a series of events throughout the year.

*In May 2024, following funding from our partners **sportscotland**, we launched a new service to support sport's governing bodies to manage wellbeing and protection concerns about children and adults in sport.*

The Case Management Support Service provides case management advice and support for governing bodies managing disciplinary issues across the sports sector. It offers training and resources to ensure that fair and effective processes are in place to manage disciplinary concerns, and staff and volunteers

have the skills to utilise these. The team also provides access to independent professional advice through our Case Advisory Group.

In 2024/25 this new service trained 32 sport's governing bodies to manage investigations and launched essential disciplinary and investigations guidance for all governing bodies to follow.

Safeguarders are appointed by a children's hearing or sheriff to provide an independent consideration of assessments and plans for children in the hearings system and to make their own recommendations about what they think is needed to achieve the best interests of children. Children First Safeguarders Panel Team is contracted by the Scottish Government to recruit, train and manage the appointments and performance of safeguarders across Scotland. In 2024/2025 Children First allocated 122 safeguarders to 1,482 children. All of these allocations were made within two working days.

Impactful participation

At Children First we're passionate about empowering children and young people to share their views, feelings and wishes on the issues that affect them to help shape our services and to influence key decision makers to drive change.

A range of projects in 2024/25 have seen children and young people's voices make an impact. These include young people's involvement in our brand refresh, speaking to the First Minister about their hopes for the future and sharing their views about living in the digital world.

To help us understand children and families' key concerns about staying safe online, we ran workshops with children, parents and carers across the country.

We worked with partners from Europe and the USA to bridge the gaps in protection and justice for children and young people who experience online sexual harm and to share best practice internationally in supporting child victims of sexual abuse where being online has been a factor.

We worked with young people to create animations for professionals and parents and carers to help them understand how to keep children safe online. These have been shared with international audiences to inform international practice.

This work was made possible through the European Union funded ELPIS research project in partnership with the European Barnahus/Child Houses and the PROMISE Barnahus network.

Celebrating the first birthday of Scotland's first Bairns Hoose

Children First's Bairns Hoose teams support children who have been victims or witnesses of horrific crimes to recover from trauma and harm. They work alongside children and their families to help them get all the support they need through the health, care and justice systems.

In August 2024, we marked the first birthday of the Children First North Strathclyde Bairns Hoose which was launched in 2023 in response to the trauma child victims experience going through Scotland's criminal justice system.

In the first year (August 2023 to August 2024), 270 child victims and witnesses and their families were supported to recover from unthinkable trauma. We are now working with local partners to develop Bairns Hoose's across Scotland including in Aberdeen, The Scottish Borders, Aberdeenshire, West Lothian and across Ayrshire. We are also working with partners in the Forth Valley as they scope out Bairns Hoose development.

Children and families' voices and experiences are at the heart of the development of every Bairns Hoose and we continue to work alongside them to influence the roll out of a gold standard for Bairns Hoose facilities across the whole of Scotland.

In 2024/2025 the Children First team in North Strathclyde supported 209 children through the Bairns Hoose.

Expanding access to family group decision making

Children First supported 376 families to take part in family group decision making (FGDM) before a life-changing decision was made about their child's future in 2024/2025. We held 156 family meetings during the year, an increase of 6% on 2023/2024.

We continued to lead a collaborative movement of national and international partners to build momentum for every child to be offered family group decision making when they are facing a decision about their care, thanks to 'Keep the Promise' funding.

Using the funding we undertook research on Family Group Decision Making in Scotland which found that while a majority of professionals who offer these services (60%) identified improving outcomes for children, including keeping children out of care, as a key strength, a third of local authorities have no family group decision making provision. Where services are in place provision is patchy, with an average of only two-family group decision making coordinator posts per local authority.

The research identified a strong commitment from a range of professionals to family group decision making but found the impact for children is limited by an unclear legislative and policy framework and a lack of sustainable funding. We called for action on and faster progress towards keeping the 'Promise'.

1.4 Recovery

Offering support to recover from trauma

We continued to develop our local services to ensure they support children to recover from trauma as part of our wider approach to supporting a child's whole family. This was a particular area of focus for our Bairns Hoose services in the Children First North Strathclyde Bairns Hoose, Aberdeen city, Aberdeenshire, West Lothian, the Scottish Borders and North, South and East Ayrshire.

During the year we supported over 2,296 children and adults to recover from trauma across all our services.

Developing trauma recovery practice

Throughout the year we continued to work alongside our Bairns Hoose partners, the University of Edinburgh, and members of our international research advisory group to host a knowledge exchange with trauma experts at the University of Toronto to share international learning about how best to support children and families to recover from trauma and abuse.

We reflected on how we can ensure Children First colleagues have strong knowledge about the impact of trauma on children, young people and families and have worked hard to align our training with The Scottish Psychological Trauma Training Plan and framework, as developed by NHS Education for Scotland (NES).

We adapted the NES 'Transforming Connections' training and will be rolling this out as mandatory trauma training for all colleagues working with children and families. The training is aimed at workers who are likely to be coming into contact with people who may have been affected by trauma. We are confident this will provide strong foundational knowledge for our colleagues.

In the coming year we will consider how we can further develop our training offer to colleagues undertaking support with young people and families impacted by complex trauma.

Supporting children and young people to influence change

Giving children and young people who have been supported by Bairns Hoose the opportunity to share their views on the services we provide for them is important to us. Their feedback shapes how we work and helps influence change.

We offer a range of ways for children and young people to share their experiences, for example through individual and family work, coming together with peers in groups, and using creative projects to share their story.

'Changemakers' is an incredible, talented group of children and young people that have been supported by North Strathclyde Bairns Hoose and are passionate about making a difference for all children who connect with the care and justice system. We have taken the Changemakers approach to all areas in which we deliver Bairns Hoose support, empowering children and young people to influence the development of their local Bairns Hoose.

Testing and developing responses to trauma recovery

In the past year Children First were part of six successful bids with partners to further develop the Bairns Hoose approach, through Scottish Government funded pathfinder projects in North Strathclyde, Aberdeen city, Aberdeenshire, Ayrshire, The Scottish Borders and West Lothian.

We continued to share, test and develop the emerging learning from the first Bairns Hoose to inform the development of the pathfinders and the wider approach to Bairns Hoose across Scotland.

Our support offer for children and young people within Bairns Hoose partnerships continues to be evaluated highly by those we support. We are thoughtful about the question of when a child may need additional, more specialist support. We know that referring on to specialist providers can often lead to children being on waiting lists for lengthy periods and speaking to too many different people.

As a result, we are continuing to test how far down the support and recovery pathway our support can helpfully go.

2 Fundraising and volunteers

We have been heartened by the number of people who have donated and taken part in events to protect children across Scotland from harm, despite feeling the continued pressure of the cost-of-living crisis.

From running marathons to abseiling, our supporters have gone above and beyond to raise vital funds.

Our six Children First Action Groups continue to support the charity by organising fundraising activities and raising awareness of our work across Scotland. We are incredibly thankful to them and each and every supporter who give up their precious spare time to help.

Over 111 volunteers supported us to keep children safe, loved and well in 2024/25. Throughout Scotland our dedicated volunteers play a vital role including supporting families through Children First support line, providing direct support to children and families through our local services and raising vital funds. We are incredibly grateful for all the time they have given to support so many different areas of our work.

Gifts in Wills remain crucial to Children First. We are humbled that our donors trust the charity to invest their gifts wisely. With legacies, we can support babies, children and young people today, tomorrow and in years to come.

We are also incredibly grateful to the companies and charitable trusts and foundations who share our values, hopes and dreams for Scotland's children. Together, we make a real difference to the young people we help. The ongoing substantial support from players of People's Postcode Lottery means that we can sustain key services for children and families and develop new services that respond to children's most urgent needs.

Last year, thanks to funding from Scottish Gas Network, our support line was able to provide targeted energy advice through our financial wellbeing team, helping families to stay warm, well and make valuable financial gains.

Our essential work to prevent and protect children from harm and support them to recover from trauma and abuse is only made possible because of our generous volunteers, supporters and partners, we can't thank them enough.

3 People and Culture

At Children First having highly skilled, knowledgeable and compassionate colleagues and volunteers who are prepared to do whatever it takes to keep children safe is crucial to achieving our vision for all children in Scotland.

During 2024/2025 we therefore grew our people and culture team, invested in a new payroll and HR system and reviewed our practices and pay structure to more fully reflect a modern workforce within a modern charity.

By taking these steps, we aim to enable Children First to better attract, retain and sustain our people so we can do the best job possible for the children, young people and families across Scotland we support.

4 Financial Review

Income from donations and legacies has decreased by 35.4% on the previous year from £5,008,000 to £3,234,000, this is largely due to a decrease in legacy income. In 2024/2025 donated services were £56,000 (2024: £133,000). Grant income increased by 6.4% from £9,969,000 to £10,610,000. Over £94,000 of this increase was due to the increase in the reimbursement to Safeguarders for fees and expenses under our management contract with the Scottish Government. In addition, we saw increased activity across several services resulting in increased income.

The value of our investment portfolio increased by £8,000 (just over +0.03%) over the year to £2,016,000 from £2,008,000). The underlying portfolio remains diversified and is managed within the framework of a moderate investment risk strategy.

Expenditure on charitable activities increased by 2.9%, this includes the rise of £94,000 in fees and expenses paid to Safeguarders mentioned above. The increase was also due to the introduction of new services and increased activity in existing services. In addition, we were able to increase the practical support provided to children and families through funding received in response to our fundraising activities.

The percentage paid to staff, as a percentage of overall expenditure was 66.9%. (2023/24 – 67.5%). Staff numbers rose to 260 FTE an increase of 3 on the previous year. (2023/24 257 FTE).

The results for the year have been achieved as the Charity has invested in its staff and services focusing on its operations to support children and families in Scotland.

The funds raised by fundraising colleagues allowed our Children and Family services to spend on practical support at this difficult time due to the ongoing cost-of-living crisis. We have also seen the increased expansion of other services, allowing us to spend more on those we support. Overall, the results represent a consolidation of our financial position and are testament to the efforts of all our staff and management to ensure the charity operates within its means.

As at 31 March 2025, the charity's net assets on the balance sheet are £6,763,000 compared to £8,383,000 at 31 March 2024. The Board is satisfied that the financial position of the charity remains strong, with positive net current assets. The Board is also satisfied that the charity has a diverse income stream with no over-reliance on any single income source. The design of the charity's wide offering of services also would allow flexibility in the eventuality that any single source of income is cut or withdrawn.

4.1 Reserves Policy

The reserves policy of Children First is to retain sufficient reserves to:

- *ensure that commitments made to providing services to children in the form of contractual commitments to staff, premises and funding partners can be made with confidence;*
- *have sufficient available reserves to meet the short term committed expenditure in the event of adverse circumstances; and*
- *underpin the strategic aims of the period 2018-2025; and*
- *maintain the appropriate level of liquidity of the underlying reserves.*

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

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

4.2 Unrestricted Funds

Our current unrestricted general reserves are £4,058,000 an increase of £46,000 compared to last year's position.

The Board has set a target to maintain unrestricted general and designated reserves (excluding the Fixed Asset Designated Reserve) to not less than three months relevant costs. This was deemed to be £3,522,000 from the budgeted expenditure figure, and the year-end total of unrestricted and designated funds (excluding the Fixed Asset Designated Reserve) equals £4,292,000 equating to 4 months of expected expenditure. Consequently, the year-end position exceeds this policy by £770,000. This is within the Board's acceptable range of tolerance.

4.3 Designated Funds

Designated funds totalling £2,424,000 are unrestricted funds which have been assigned by the charity for specific purposes in the future and includes the Fixed Assets designated reserve (£2,191,000) to cover the book value of fixed assets: buildings, fixtures, vehicles, office equipment and information technology used by the charity in its work. The transfer to general funds represents the net movement of fixed assets, arising from additions, disposals, and depreciation charges in the budget for 2024/2025 and the transfer of the balance of designated funds no longer required for carrying out major projects. The Board has reduced the designated funds available to carry out major projects across the charity in line with our strategic ambitions and goals.

4.4 Restricted and Endowment Funds

Restricted funds can only be used for specific purposes agreed with the donor or funder. At the year-end these funds totalled £129,000 and include funds from local authorities across Scotland for service delivery in their regions and from other funders for specific service provision. Endowment funds totalled £52,000.

4.5 Investment Policy and Objectives

The Board has adopted an investment policy which enshrines the principles of prudence, caution, due care and attention, written authority, and regular review. The objective of the policy is to maintain and enhance the real long-term value of the invested funds and to create income to assist the charity in carrying out its purposes. The market value of the investment portfolio has increased by £8,000. (2023/24 increase of £235,000). The Board remains confident in the suitability of its investment strategy.

The investment portfolio was maintained with Brewin Dolphin and then moved to LGT Wealth Management in October 2024; they are investment advisors to the Board of Trustees. Investment decisions are reviewed by the Finance, Audit and Risk Committee, and it meets annually with the Investment Advisors to review the overall performance of the portfolio.

The investment portfolio is invested across a broad range of assets to protect capital value and maximise real long-term capital returns over time through the diversification of both income and potential capital gains. At the year end, the portfolio had 28% in fixed income, 62% in equities, with the balance split between alternative investments and cash.

It is also the charity's intention to hold sufficient working cash levels to meet fluctuating needs. These cash funds are not held as part of the investment portfolio maintained by our investment advisors. The Trustees have advised that it is important that the holdings within the portfolio are sensitive to the objectives and mission of Children First. The Trustees are committed to conducting their financial affairs in a responsible manner consistent with the ethical obligations of stewardship and relevant legal requirements.

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

In addition, the Trustees wish to avoid direct investment into companies that have attracted critical and high allegations related to child labour or forced labour within their own operations or supply chain. The Trustees also wish to avoid direct investment into companies that have been accused of significant or minor allegations related to child labour and forced labour where the response from the company has been reactive or uncommunicative.

The Trustees acknowledge that the exclusion of companies involved in the above areas is not possible when investing through pooled funds, although consideration will be given to the underlying holdings in

any such collective fund, at the time of purchase and periodically so that any substantial exposures may be identified, and appropriate action taken.

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

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

4.6 Going Concern

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

The Trustees have always been mindful of the need to have sufficient reserves and cash reserves to ensure the continued financial sustainability of the charity. At the year end the Charity had cash balances of £2.5 million and near-cash investments that can be easily liquidated of over £2 million. Of the balances held, £233,000 relates to funds for designated projects that have not yet been carried out. The Trustees have based their opinion on the following work undertaken by the charity:

- *Regular (quarterly) review of management accounts.*
- *Regular (quarterly) review of rolling annual cashflow projections.*
- *Review of at least two full year reforecasts during a financial year.*
- *Approval of the annual budget of the charity which includes long-term financial projections to the end of the period of the Strategic Priorities of 31 March 2026.*
- *Review of the sustainability of the charity through financial projections examining reductions in the levels of fundraising where there is some degree of uncertainty of funding. This includes the impact of such dramatic and unlikely shortfalls on other areas of the charity such as services and corporate functions.*

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

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

5 Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by the Board and signed on its behalf by:



Joy Barlow MBE
Interim Chair
2nd September 2025

6 Independent Auditor's Report to the Trustees of Children First

Opinion on the financial statements

In our opinion, the financial statements:

- *give a true and fair view of the state of the Charity's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;*
- *have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and*
- *have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.*

We have audited the financial statements of Children First ("the Charity") for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions related to going concern

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

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

Independent Auditor's Report to the Trustees of Children First (continued)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion; the information given in the Trustees' Report is inconsistent in any material respect with the financial statements:

- *proper accounting records have not been kept; or*
- *the financial statements are not in agreement with the accounting records and returns; or*
- *we have not received all the information and explanations we require for our audit.*

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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.

Independent Auditor's Report to the Trustees of Children First (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Non-compliance with laws and regulations

Based on:

- *Our understanding of the Charity and the sector in which it operates;*
- *Discussion with management and those charged with governance and the Finance, Audit & Risk Committee;*
- *Obtaining an understanding of the Charity's policies and procedures regarding compliance with laws and regulations;*

we considered the significant laws and regulations to be the applicable accounting framework (UK GAAP and the Charities SORP), the Charities and Trustee Investment Act 2005, the Charities Accounts (Scotland) Regulations 2006, Employment Taxes and the Bribery Act 2010.

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Independent Auditor's Report to the Trustees of Children First (continued)

Our procedures in respect of the above included:

- *Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;*
- *Review of financial statement disclosures and agreeing to supporting documentation;*
- *Review of legal expenditure accounts to understand the nature of expenditure incurred; and*
- *Review of confirmations received from the entity's solicitor.*

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- *Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;*
- *Obtaining an understanding of the Charity's policies and procedures relating to:*
 - *Detecting and responding to the risks of fraud; and*
 - *Internal controls established to mitigate risks related to fraud.*
- *Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;*
- *Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and*
- *Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;*

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, existence of grant income, and validity of purchase expenses.

Our procedures in respect of the above included:

- *Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and*
- *Assessing significant estimates made by management for bias, including testing a sample of unaccrued legacies; and*
- *Testing a sample of grant income recognised in Q4 of the financial year, by agreeing to supporting documentation;*
- *Testing validity of expenses during the year, by agreeing to supporting documentation and confirming that each was approved by an appropriately authorised individual.*

Independent Auditor's Report to the Trustees of Children First (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Martin Gill

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*Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Edinburgh
Date 04 September 2025*

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

Statement of Financial Activities (Incorporating Income and Expenditure Account)

		2025					2024	
	Notes	Unrestricted General Funds £000's	Unrestricted Designated Funds £000's	Unrestricted Revaluation Reserve £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's	Total £000's
Income and endowments from:								
Donations and legacies	4	2,221	-	-	1,013	-	3,234	5,008
Charitable activities	5	5,947	-	-	4,663	-	10,610	9,969
Investments		93	-	-	-	-	93	64
Other income		-	-	-	-	-	-	55
Total income		8,261	-	-	5,676	-	13,937	15,096
Raising funds	7	341	14	-	934	-	1,289	1,052
Charitable activities	6	8,917	449	-	4,907	-	14,273	13,870
Total expenditure		9,258	463	-	5,841	-	15,562	14,922
Total income less expenditure		(997)	(463)	-	(165)	-	(1,625)	174
Net gains (losses) on investments		136	-	(131)	-	-	5	183
Net income (expenditure)		(861)	(463)	(131)	(165)	-	(1,620)	357
Transfer between funds	22-24	907	(907)	-	-	-	-	-
Net movement in funds		46	(1,370)	(131)	(165)	-	(1,620)	357
Reconciliation of funds:								
Total funds brought forward		4,012	3,794	231	294	52	8,383	8,026
Total funds carried forward	19-24	4,058	2,424	100	129	52	6,763	8,383

The notes on pages 27 to 52 form part of these financial statements

Balance Sheet

As at 31 March 2025

	Notes	31 March 2025 £000's	31 March 2024 £000's
Fixed Assets			
Tangible Assets	12	1,848	1,866
Intangible Assets	13	343	478
Investments	14	2,016	2,008
		<u>4,207</u>	<u>4,352</u>
Current Assets			
Debtors	15	1,650	3,910
Fixed term deposit	16	187	765
Cash at bank and in hand	16	2,479	1,396
		<u>4,316</u>	<u>6,071</u>
Liabilities			
Creditors: amounts falling due within one year	17	1,760	2,040
Net current assets		2,556	4,031
Total net assets		<u>6,763</u>	<u>8,383</u>
The funds of the charity			
Restricted Funds	20	129	294
Endowment Fund	21	52	52
Unrestricted Funds	22	4,058	4,012
Designated Funds	23	2,424	3,794
Revaluation Reserve	24	100	231
Total unrestricted funds		<u>6,582</u>	<u>8,037</u>
Total charity funds		<u>6,763</u>	<u>8,383</u>

The financial statements were authorised for issue by the Trustees on 2nd September 2025 and signed on their behalf by:



Joy Barlow MBE
Interim Chair



Brian Davidson
M.A., C.A. – Hon. Treasurer

Statement of Cash Flows for the year ended 31 March 2025

	Notes	Year Ended 2025 £000's	Year Ended 2024 £000's
Net income (expenditure) for the period		(1,620)	379
Adjustments for:			
Depreciation charge	12	111	91
Amortisation charge	13	197	213
Losses / (gains) on disposal of Fixed Assets	12	-	170
Losses / (gains) on Investments		131	(183)
Dividends, interest and rents from investments		(93)	(64)
Decrease / (increase) in debtors	15	2,260	(2,197)
(Decrease) / increase in creditors	17	(280)	(12)
Net cash flows from operating activities		706	(1,603)
Cash flows from investing activities			
Investment income		93	64
Purchase of property, plant and equipment	12	(93)	(433)
Purchase of intangible assets	13	(62)	(28)
Proceeds from sale of investments		1,118	635
Purchase of investments	14	(1,257)	(687)
Redemption/(Purchase) of term deposits	16	578	(765)
Net cash used in investing activities		377	(1,214)
Change in cash and cash equivalents in the reporting period		1,083	(2,817)
Cash and cash equivalents at the beginning of the reporting period		1,396	4,213
Cash and cash equivalents at the end of the reporting period	16	2,479	1,396

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of preparation

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

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

Children First meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1.2 Going concern

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

- *Regular (quarterly) review of management accounts.*
- *Regular (quarterly) review of rolling annual cashflow projections.*
- *Review of at least two full year reforecasts during a financial year.*
- *Approval of the annual budget of the charity to the end of the period of the Strategic Priorities of 31 March 2026.*

- *Review of the sustainability of the charity through financial projections examining reductions in the levels of fundraising where there is some degree of uncertainty of funding. This includes the impact of such dramatic and unlikely shortfalls on other areas of the charity such as services and corporate functions.*

1.3 Recognition and allocation of income

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

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

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

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

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

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

1.4 Recognition and allocation of expenditure

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

Expenditure on raising funds comprises those costs which are associated with the generation of income from sources other than from undertaking charitable activities, the Action Groups which fundraise on our behalf and investment management costs. Expenditure which is directly attributable to running

fundraising events undertaken for the charity by supporters is accounted for by the organisers of the events and is netted against the income received from the events.

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

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

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

1.5 Leases

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

1.6 Pensions

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

1.7 Taxation

No taxation is provided for given the charitable status.

1.8 Tangible fixed assets

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

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

- *Leasehold Land & Buildings* – *straight line over term of lease*
- *Motor Vehicles* – *25% straight line*
- *Freehold Land & Buildings* – *2% straight line*
- *Fixtures and Office Equipment* – *10% straight line*

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

1.9 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is provided on all intangible fixed assets at a rate calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

- Computer Software – 25% straight line

1.10 Investments

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

1.11 Financial assets and financial liabilities

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

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

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

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

1.12 Debtors

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

1.13 Cash and cash equivalents

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

1.14 Fixed term deposits

Fixed term deposits consist of investments with a short term maturity of three months or more from date of investment.

1.15 Creditors

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

1.16 Funds

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

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

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

2 Critical Judgments and Estimates

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

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

- *Legacy income is measured at fair value, but where part of a legacy left to the charity includes property or shares to be sold, judgement is used to estimate the amount receivable. This judgement is usually based on the estimate of solicitors involved in the distribution of the estate.*
- *Depreciation and amortisation of fixed assets are calculated based on a rate calculated to write off the cost less estimated residual value of each asset over its expected useful life.*

Consideration is given to any potential impairment of fixed assets.

3 Comparative statements of financial activities (restated)

	2024					
	Unrestricted General Funds £000's	Unrestricted Designated Funds £000's	Unrestricted Revaluation Reserve £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's
Income and endowments from:						
Donations and legacies	4,639	-	-	369	-	5,008
Charitable activities	7,925	-	-	2,044	-	9,969
Investments	64	-	-	-	-	64
Other income	55	-	-	-	-	55
Total income	12,683	-	-	2,413	-	15,096
Expenditure on:						
Raising funds	966	68	-	18	-	1,052
Charitable activities	10,880	392	-	2,598	-	13,870
Total expenditure	11,846	460	-	2,616	-	14,922
Total income less expenditure	837	(460)	-	(203)	-	174
Net losses on investments	56	-	127	-	-	183
Net income/(expenditure)	893	(460)	127	(203)	-	357
Transfer between funds	14	(14)	-	-	-	-
Net movement in funds	907	(474)	127	(203)	-	357

4 Donations and legacies

	2025 £000's	2024 £000's
Individuals and Community Trusts, Organisations and Corporate Bodies	685	535
Legacies	1,898	1,933
Donated Services	595	2,407
	56	133
Total donations and legacies	3,234	5,008

5 Charitable activities

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

	Restricted £000's	Unrestricted £000's	2025 £000's	2024 £000's
Scottish Government	1,280	1,590	2,870	2,779
Local Authorities	1,061	3,224	4,285	4,638
Other Bodies	2,321	1,115	3,436	2,428
Services Income	1	18	19	124
Total	4,663	5,947	10,610	9,969

In the year the charity received funding of £2,870,000 (2024: £2,779,000) from the Scottish Government. Of this, £1,562,000 (2023: £1,468,000) was the reimbursement of fees and expenses incurred by the members of the National Safeguarder's Panel. There were no unfulfilled conditions relating to Government grant income received. Service income represents income from training and other income from services provided.

6 Expenditure on charitable activities

	Direct Costs	Support	Total 2025	Total 2024
	Costs (Note 8)	Costs (Note 8)		
	£000's	£000's	£000's	£000's
2025				
Employment costs	8,432	1,297	9,729	9,409
Other employment costs	151	97	248	285
Vehicle and travel costs	222	18	240	241
Property costs	311	251	562	375
Services costs	2,394	9	2,403	2,275
Office costs	166	509	675	776
Publicity costs	3	16	19	43
Professional fees	189	179	368	309
Other costs	2	(4)	(2)	128
Governance costs (note 9)	-	31	31	29
Total	11,870	2,403	14,273	13,870

Donated services of £56,000 are included within services costs and office costs.

	Direct Costs	Support	Total 2024
	Costs (Note 8)	Costs (Note 8)	
	£000's	£000's	£000's
2024			
Employment costs	8,211	1,198	9,409
Other employment costs	183	102	285
Vehicle and travel costs	223	18	241
Property costs	306	69	375
Services costs	2,268	7	2,275
Office costs	375	401	776
Publicity costs	23	20	43
Professional fees	128	181	309
Other costs	175	(47)	128
Governance costs (note 9)	-	29	29
Total	11,892	1,978	13,870

Donated services of £133,000 are included within services costs.

7 Expenditure on Raising Funds

	Direct Costs	Support	Total 2025	Total 2024
	£000's	Costs (Note 8) £000's	£000's	£000's
2025				
Employment costs	630	54	684	653
Other employment costs	9	4	13	44
Vehicle and travel costs	6	1	7	8
Property costs	7	10	17	19
Services costs	8	-	8	9
Office costs	54	21	75	71
Publicity costs	409	1	410	184
Professional fees	56	8	64	58
Other costs	11	-	11	6
Total	1,190	99	1,289	1,052

	Direct Costs	Support	Total 2024
	£000's	Costs (Note 8) £000's	£000's
2024			
Employment costs	590	63	653
Other employment costs	39	5	44
Vehicle and travel costs	7	1	8
Property costs	12	7	19
Services costs	9	-	9
Office costs	50	21	71
Publicity costs	183	1	184
Professional fees	48	10	58
Other costs	7	(1)	6
Total	945	107	1,052

8 Support Costs

	Services to Children & Families £000's	Raising Funds £000's	Governance Costs (Note 9) £000's	Total 2025 £000's	Total 2024 £000's
2025					
Employment costs	1,297	54	-	1,351	1,261
Other employment costs	97	4	-	101	107
Vehicle and travel costs	18	1	-	19	19
Property costs	251	10	-	261	76
Services costs	9	-	-	9	7
Office costs	509	21	-	530	422
Publicity costs	16	1	-	17	21
Professional fees	179	8	-	187	191
Other costs	(4)	-	31	27	(19)
Total	2,372	99	31	2,502	2,085

	Services to Children & Families £000's	Raising Funds £000's	Governance Costs (Note 9) £000's	Total 2024 £000's
2024				
Employment costs	1,198	63	-	1,261
Other employment costs	102	5	-	107
Vehicle and travel costs	18	1	-	19
Property costs	69	7	-	76
Services costs	7	-	-	7
Office costs	401	21	-	422
Publicity costs	20	1	-	21
Professional fees	181	10	-	191
Other costs	(47)	(1)	29	(19)
Total	1,949	107	29	2,085

9 Governance Costs

	Services to Children & Families £000's	Total 2025 £000's	Total 2024 £000's
2025			
Auditor's remuneration: Audit fees	31	31	29
Total	31	31	29

10 Employee Benefit Expenses

	2025 £000's	2024 £000's
Wages and salaries	8,654	8,446
Social security costs	860	807
Pension costs – defined contribution schemes	844	729
Other employment costs	54	79
Total	10,412	10,061

Redundancy and termination costs of £12,790 (2024: £42,000) were incurred in the year and are included within other employment costs. £ NIL of these costs were accrued at year end (2024: £nil).

There were seven employees whose annual emoluments, excluding employer's pension contributions, were £60,000 or more (2024: 2). Six employee's emoluments fell within the £60,000 to £70,000 band (2024: 1), one employee's emoluments fell within the £80,001 to £90,000 bracket (2024: 1).

The key management personnel of the charity comprise of the Chief Executive, Director of Children and Family Services, Director of Finance and Corporate Services, Director of Fundraising, Marketing & Communications, Director of People and Culture. The employee benefits for key management totalled £406,058 (2024: £346,000).

The average headcount for the year was 283 (2024: 288) and the average full-time equivalent was 260 (2024: 257).

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

	2025	2024
Fundraising	10	12
Support	40	25
Children and Family Services	210	220
Total	260	257

Throughout the year, volunteers have continued to play a vital role in helping Children First carry out its work. This year we had 95 volunteers contributing to the following services:

	2025	2024
Children and Family Services	18	16
Support Line	50	45
Fundraising	16	16
Board Members	9	9
Specialist	2	2
Total	95	88

11 Board Remuneration and Expenses

The Board (or any persons connected with them) were not paid, nor did they receive any other benefits from employment with the charity, nor did they receive payment for professional or other services supplied to the charity. Expenses of £723 (2024: £263) were reimbursed to 3 Board members in the year (2024: 1).

There were no transactions with related parties in either the current or previous year.

12 Tangible Assets

	Freehold land & buildings £000's	Leasehold land & buildings £000's	Fixtures & office equipment £000's	Computers £000's	Assets under construction £000's	Total £000's
Cost						
At 1 April 2024	2,267	145	149	227	-	2,788
Additions	38	5	6	44	-	93
Transfers	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
At 31 March 2025	2,305	150	155	271	-	2,881
Depreciation						
At 1 April 2024	622	99	76	125	-	922
Charge for the year	46	16	11	38	-	111
At 31 March 2025	668	115	87	163	-	1,033
Net Book Value						
At 31 March 2025	1,637	35	68	108	-	1,848
At 31 March 2024	1,645	46	73	102	-	1,866

13 Intangible Assets

	Computer Software £000's	Total £000's
Cost		
At 1 April 2024	1,206	1,206
Additions	62	62
Transfer	-	-
At 31 March 2025	<u>1,268</u>	<u>1,268</u>
Amortisation		
At 1 April 2024	728	728
Charge for the year	197	197
At 31 March 2025	<u>925</u>	<u>925</u>
Net Book Value		
At 31 March 2025	<u>343</u>	<u>343</u>
At 31 March 2024	<u>478</u>	<u>478</u>

14 Investments

	2025 £000's	2024 £000's
Quoted investments		
Market value as at 1 April 2024	2,008	1,773
Disposals during the year	(1,118)	(635)
Additions during the year	1,257	687
Unrealised gains / (losses) on investments	(131)	183
Market value at 31 March 2025	2,016	2,008
Cash as part of portfolio (note 16)	61	28
Balance carried forward at 31 March 2025	2,077	2,036

1 investment (2023: 1) individually exceeds 5% of the portfolio

Volare Offshore Strategy Fund Ltd – 10.5%

Investments were split as follows:

Asset Allocation	2025 £000's	%	2024 £000's	%
Fixed income	582	28	350	17
Equities	1,286	62	1,429	70
Alternatives	148	7	127	6
Cash	61	3	28	1
Other	-		102	6
Total	2,077		2,036	

	2025 £000's	2024 £000's
Historical costs of investments	1,977	1,777
Cash held for investments	61	28
Total	2,038	1,805

15 Debtors

	2025 £000's	2024 £000's
Trade debtors	543	1,175
Sundry debtors	5	1
Prepayments	151	130
Accrued income	951	2,604
Total	1,650	3,910

16 Cash and cash equivalents

	2025 £000's	2024 £000's
Cash at bank and in hand	2,418	1,368
Cash as part of the investment portfolio	61	28
	2,479	1,396
Fixed Term Deposits	187	765
Total	2,666	2,161

17 Creditors: Amounts falling due within one year

	2025 £000's	2024 £000's
Trade creditors	135	192
Pensions creditor	82	77
Other creditors	184	248
Accruals and deferred income	810	873
Taxation and social security	549	650
Total	1,760	2,040

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

	2025 £000's	2024 £000's
Opening balance	690	695
Income deferred	622	660
Income recognised	(690)	(695)
Closing balance	622	690

18 Financial assets and liabilities

	2025 £000's	2024 £000's
Financial assets at fair value	2,016	2,008

Financial assets at fair value comprise quoted investments.

19 Analysis of net assets by funds

The fund balances at 31 March 2025 are represented by:

	Unrestricted General Funds £000's	Unrestricted Designated Funds £000's	Unrestricted Revaluation Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's
Fixed assets	-	2,191	-	-	-	2,191
Investments	1,916	-	100	-	-	2,016
Net current assets	2,142	233	-	129	52	2,556
As at 31 March 2025	4,058	2,424	100	129	52	6,763

The fund balances at 31 March 2024 are represented by:

	Unrestricted General Funds £000's	Unrestricted Designated Funds £000's	Unrestricted Revaluation Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's
Fixed assets	-	2,344	-	-	-	2,344
Investments	1,777	-	231	-	-	2,008
Net current assets	2,235	1,450	-	294	52	4,031
As at 31 March 2024	4,012	3,794	231	294	52	8,383

20 Restricted funds

2025	Balance at 1 April 2024	Income	Expenditure	Balance at 31 March 2025
	£000's	£000's	£000's	£000's
Local authority funds - various	211	1,061	(1,270)	2
Scottish Government - various	-	1,280	(1,280)	-
People's Postcode Lottery Dream Trust	20	-	(20)	-
Corra Foundation	-	561	(490)	71
Capital City Partnership	-	255	(255)	-
STV Hardship Fund	-	127	(127)	-
BBC Children in Need	-	68	(63)	5
Big Lottery	-	100	(100)	-
Energy Redress	-	180	(180)	-
Inspiring Scotland	-	270	(270)	-
Robert Barr	-	25	(25)	-
Robertson Trust	-	20	(7)	13
Scottish Gas Network	-	182	(182)	-
Swire Charitable Trust	-	75	(75)	-
The National Lottery	-	45	(45)	-
William Grant Foundation	-	92	(80)	12
Impact Funding Partners	-	482	(482)	-
East Ayrshire HSCP	-	274	(274)	-
Inverclyde HSCP	-	163	(163)	-
Other funds	63	416	(453)	26
Total restricted funds	294	5,676	(5,841)	129

2024 (restated)	Balance at 1 April 2023	Income	Expenditure	Balance at 31 March 2024
	£000's	£000's	£000's	£000's
Local authority funds - various	139	99	(27)	211
Scottish Government - various	-	769	(769)	-
People's Postcode Lottery Dream Trust	315	375	(670)	20
Corra Foundation	-	648	(648)	-
Capital City Partnership	43	115	(158)	-
STV Hardship Fund	-	335	(335)	-
Other funds	-	72	(9)	63
Total restricted funds	497	2,413	(2,616)	294

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

Local Authority funds

Restricted funding was received from a number of Local Authorities to deliver services to children and families.

Scottish Government

Funding was received for our Safeguarders panel team, Promise funding for our Family Group Decision Making Service and funding towards core costs.

Corra Foundation

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

Capital City Partnership

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

Energy Redress

Funding was received to provide targeted energy advice through our support line.

Inspiring Scotland

Funding was received to provide support for victims of violence and abuse.

Scottish Gas Network

Funding was received to provide targeted energy advice through our support line.

Impact Funding Partners

Funding was received towards our Bairns Hoose work.

East Ayrshire HSCP

Funding was received towards our Bairns Hoose work in East Ayrshire.

Inverclyde HSCP

Funding was received towards our Bairns Hoose work in Inverclyde.

Other funds

Consists of several smaller funds from a number of funders for specific projects. There are no funds greater than £150,000 not separately disclosed.

21 Endowment funds

2025	Balance at 1 April 2024 £000's	Income £000's	Expenditure £000's	Balance at 31 March 2025 £000's
MacLagan Bequest	52	-	-	52
2024	Balance at 1 April 2023 £000's	Income £000's	Expenditure £000's	Balance at 31 March 2024 £000's
MacLagan Bequest	52	-	-	52

The endowment fund earned interest of £ nil. The bequest was received in 1992 with the terms being that Children First were to hold the funds in trust for the sole purpose of generating income.

22 Unrestricted funds

2025	Balance at 1 April 2024	Income	Expenditure	Net gains on investments	Transfers in	Balance at 31 March 2025
	£000's	£000's	£000's	£000's	£000's	£000's
Unrestricted funds	4,012	8,261	(9,258)	136	907	4,058
<hr/>						
2024	Balance at 1 April 2023	Income	Expenditure	Net gains on investments	Transfers in	Balance at 31 March 2024
	£000's	£000's	£000's	£000's	£000's	£000's
Unrestricted funds	3,105	12,863	(11,846)	56	14	4,012

23 Designated funds

2025	Balance at 1 April 2024	Income	Expenditure	Transfers out	Balance at 31 March 2025
	£000's	£000's	£000's	£000's	£000's
Fixed assets	2,344	-	-	(153)	2,191
Investment in developing services to children	1,450	-	(463)	(754)	233
Total designated funds	3,794	-	(463)	(907)	2,424

2024	Balance at 1 April 2023	Income	Expenditure	Transfers in	Balance at 31 March 2024
	£000's	£000's	£000's	£000's	£000's
Fixed assets	2,357	-	-	(14)	2,343
Investment in developing services to children	1,911	-	(460)	-	1,451
Total designated funds	4,268	-	(460)	(14)	3,794

The Fixed Assets designated reserve comprises £2,191,000 to cover the book value of fixed assets: buildings, fixtures, vehicles, office equipment and information technology used by the charity in its work. The transfer to general funds represents the net movement of fixed assets, arising from additions, disposals and depreciation charges. This year the Board has retained designated funds of £233,000 to complete major projects across the charity in line with our strategic ambitions and goals.

24 Revaluation reserve

2025	Balance at 1 April 2024	Gains on investments	Balance at 31 March 2025
	£000's	£000's	£000's
Revaluation	231	(131)	100

2024	Balance at 1 April 2023	Gains on investments	Balance at 31 March 2024
	£000's	£000's	£000's
Revaluation	104	127	231

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

25 Operating leases

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

	2025 £000's	2024 £000's
No later than one year	31	66
Within two to five years	20	55
Later than five years	-	-
Total	51	121

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

Operating lease expenditure charged in the year was £127,000 (2024: £197,000)

26 Net debt reconciliation

2025	Balance at 1 April 2024 £000's	Cash flows £000's	Balance at 31 March 2025 £000's
Cash at bank and in hand	2,396	1,083	3,479
Fixed term deposits	765	(578)	187
Total	2,161	505	2,666

2024	Balance at 1 April 2023 £000's	Cash flows £000's	Balance at 31 March 2024 £000's
Cash at bank and in hand	4,213	(2,817)	1,396
Fixed term deposits	-	765	765
Total	4,213	2,052	2,161

27 Legacies

	2025 £000's	2024 £000's
Legacies receivable in year	595	2,407

In 2025, legacies were receivable from 34 legators (2024: 45)

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

28 Subsequent events

There were no subsequent events.

29 Prior year restatement

Children First manages the Safeguarders Panel on behalf of the Scottish Government and receives income from reimbursement of costs incurred in running the Panel under a service agreement. Following a review of this income and the Charities SORP, we have identified that this income should have been recorded within unrestricted income but has previously been recorded as restricted. The income for the 2024 year end was £1,468k.

Grant income is also received for running the Safeguarders Panel and on review of this income and the Charities SORP, we have identified that this income should have been recorded within restricted income but has previously been recorded as restricted. The income for the 2024 year end was £769k.

There have been no changes to reports at 1st April 2023 or 1st April 2024.

The error relates to previously reported financial statements. As these are considered to be fundamental to the reported performance of the company, the comparative information has been restated. The financial impact of the adjustments is shown in the table below:

	Note	2024 £000	2024 Restated £000	Prior year restatement £000
Income from: Charitable activities (Unrestricted)	3	7,226	7,925	699
Income from: Charitable activities (Restricted)	3	2,743	2,044	(699)
Expenditure on: Charitable activities (Unrestricted)	3	10,181	10,880	699
Expenditure on: Charitable activities (Restricted)	3	3,297	2,598	(699)

There is no impact on funds.