

Charity registration number SC027560 (Scotland)

Company registration number SC182935 (Scotland)

CAPELLA CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025



CAPELLA CHARITY

CONTENTS

	Page
Trustees' report	1 - 6
Statement of trustees' responsibilities	7
Independent auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 28

CAPELLA CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their Report, together with the accounts for the year ended 31st March 2025. The Board have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) 2019 in preparing the annual report and financial statements of the charity.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2019.

Introduction and Strategic Overview

Capella exists to create lasting change through learning, because everyone deserves to thrive. In 2024/25, Capella continued to demonstrate strong performance and resilience despite significant pressures across the sector. Under our five-year strategy, we focused on sustainable growth, innovation, and quality.

Our achievements this year reflect the core themes of our 2024–2029 strategy:

- **Being a role model:** Sector-leading Sleep and Teens+ services, national policy influence, and award nominations.
- **Enabling people to THRIVE:** 108 students supported, 747 families reached, and strong team engagement.
- **Keeping our house in order:** Robust financial performance, new infrastructure, and enhanced digital capabilities.

Key highlights include:

- A surplus of £159k, enabling strategic reinvestment.
- Expansion of the Teens+ service and the development of two new Next Steps hubs.
- Completion of our first year in the Net Zero Nation Accelerator Programme.
- Establishment of SCQF accreditation for our Sleep Counselling training.
- Opening of our new TEENS+ McDonald Road Centre in Edinburgh.

While we anticipate financial challenges due to national funding uncertainties, our diversified income streams and robust operational planning continue to protect our long-term sustainability.

Thanks to our funders

Our achievements in 2024/25 would not have been possible without the generous support of our funders. Every grant helps us pursue our mission of creating lasting change through learning. We are deeply grateful to:

- The Scottish Government
- National Lottery Community Fund
- Garfield Weston
- Health & Social Care Alliance Trust
- Wooden Spoon
- Arnold Clark Community Fund
- Cycling Scotland
- Screwfix Foundation
- Tesco Stronger Starts
- Co-op Local Community Fund
- Edinburgh Council Community Grants

CAPELLA CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Sleep Action

There is no health and wellbeing without sleep.

We are the source of sleep knowledge and advice. We know that quality sleep leads to healthier, happier and more resilient people. By working with professionals, families and employers, we promote healthy sleep for all, making a tangible difference in people's lives.

Healthier, Happier and More Confident Families

Our Sleep Support Line supported over 747 families this year, of which 58% required Tier 2 support. Demand exceeded capacity but satisfaction remained strong, with 94% of families reporting improved sleep and 97% greater confidence post intervention. Wait times were kept within tiered targets and user feedback was universally positive.

Here's what some of our families have said about us this year:

- *"Our service has been amazing. You have been so kind and helpful in what is a worrying and stressful time for me. So, thank you for all that you do!"*
- *"Our Sleep Counsellor was a godsend! I had spent almost two years battling with a child who was up 2-6 times a night. She's now sleeping in her own bed and going down within 20 mins of lights out compared the hours I used to sit in her room."*
- *"Fantastic service. I felt I was not being listened to for months by health professionals. The assessment process was very thorough and detailed and gave me a better understanding of my child's sleep and what could affect that. My child is now sleeping so much better which has also been a positive impact on his general mood."*

Case Study: Improving Sleep for a Child with Complex Needs

We supported the mum of an 8-year-old boy who has significant care needs following a brain injury. He lives with his mum and brother in an unsuitable multi-level home. His disrupted sleep was affecting the whole family, with long bedtimes, early waking, and daytime exhaustion.

Over six months, our Sleep Counsellor introduced a tailored plan including calming routines, massage, and visual timetables. He now sleeps through the night without medication, and the family's sleep disturbance score improved from 6 to 0

Developing Sleep Knowledge and Support Systems

We trained more than 650 professionals, including through larger commissions with local authorities. Our SCQF-accredited Sleep Counselling for Children and Young People set a new benchmark. Training income grew by 18% year-on-year.

"This has been one of the most beneficial training packages I have attended. The course leaders have been warm and very enthusiastic about sleep. They have listened and answered queries and backed by the science. Thank you very much"

Healthy Sleep as Part of Health and Wellbeing

Sleep Action influenced national discourse on sleep and health through partnerships with the Scottish Governments' driver fatigue campaign and mental health charity, SAMH. We contributed to academic studies and presented at national events, securing our voice in public health dialogue.

CAPELLA CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Teens+

The pathway for school leavers with additional needs to fulfil their potential.

We are more than just a service, we empower people with support needs to speak for themselves. We lead the way to create tailored learning and growth for everyone we support. We are the service of choice because the emotional connections we make, and the respect we have, creates impact and great outcomes.

A Sector Leading Service Enhancing Life Through Education

Teens+ supported 108 students across our four centres, with 95% achieving or exceeding learning outcomes. We expanded accredited learning opportunities and maintained high satisfaction from families (95%) and local authorities (90%).

Case Study: Transforming Support Through Communication

After a placement crisis in May 2024, Haumie's future at TEENS+ was uncertain. Facing serious behavioural challenges, our team chose not to give up. Our Centre Manager, Michael, worked with our team, Haumie and his family to create a new Personal Behaviour Support plan. By enabling Haumie to express himself and recognising his sensory and communication needs, we rebuilt trust and support.

The discovery of British Sign Language became a breakthrough, giving Haumie a way to express himself. With consistent care and meaningful connection, he has grown in confidence, re-engaged with his community, and strengthened his relationship with his mum. Today, Haumie chooses to be at TEENS+ — and he is thriving. Haumie's mum said "staff are just exceptional and we are so grateful."

Next Steps Empowers Young People with Additional Needs

Next Steps expanded by 25%, offering 28 volunteer placements, social enterprise support, and the Duke of Edinburgh programme. 100% of families rated our Next Steps service as good or excellent. We are proud that we continue to enable greater independence and choice for participants, fostering long-term personal growth. This year, we were delighted to partner with Venturing Out to deliver accessible camping expeditions as part of our innovative Duke of Edinburgh Awards for adults with support needs.

Case Study: Bronze Duke of Edinburgh Success

In June 2025, eight students completed their Bronze Duke of Edinburgh expedition, supported by dedicated staff. Over two days, they walked 15km in 24-degree heat, camped overnight, cooked their own meals, and pitched their own tents.

For many, it was their first night away as adults — and they rose to the challenge with resilience and teamwork. A truly inspiring achievement. Bronze Award: unlocked!

Friends+ Offers Evening and Weekend Social Opportunities

Friends+ delivered over 7,700 hours of tailored support including evening sessions, weekend breaks, and 217 sleepovers. Demand remained high and family feedback reaffirmed the importance of accessible respite services.

CAPELLA CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Enabling People to THRIVE

We are proud of our people and enabling people to thrive is a strategic priority. Our people are the reason we deliver excellence, and we invest in their growth, wellbeing and development

We recruited 65 new staff this year and launched a revised pay structure to ensure fairness and value. We maintained a staff turnover rate of 24%, outperforming the sector average. Absence rates were 4.3%, slightly above our target, primarily due to non-work-related mental health issues. We also maintained our high standard of training by consistently exceeding 94% staff training compliance throughout the year.

We implemented new staff benefits, including a health cash plan and credit union scheme. 82% of staff would recommend Capella as a great place to work. Training compliance across Teens+ centres exceeded 94% and we are continuing to invest on providing enhanced training opportunities to ensure our staff are highly trained and supported.

Keeping Our House in Order

We take pride in being a financially sound and well-governed organisation. In 2024/25:

- We delivered a surplus of £159k
- Our reserves remained above 2 months of operating costs
- Monthly financial insights helped strengthen oversight and strategic planning

The opening of our McDonald Road Centre and the ongoing data governance project demonstrate our commitment to high-quality infrastructure and evidence-based management. These investments support both service users and staff by ensuring we have the systems in place to deliver securely and efficiently.

We streamlined financial systems, reviewed delegated authority limits, and launched budget-holder training to enhance organisational agility.

Despite national funding uncertainty, we remained responsive and prepared, modelling potential impacts of social care reform and reviewing structural options such as separating Sleep Action and Teens+ to enhance grant eligibility and strategic flexibility.

We Are a Role Model

Capella continues to set the standard in delivering impactful services, influencing policy, and developing a national presence across health, education, and social care. Our success is reflected not only in external accolades and sector recognition, but in the strength and sustainability of our internal practice.

But being a role model means not only leading today, but preparing for tomorrow. That's why we have placed innovation at the heart of our strategy.

During 2024/25 we have invested in digital infrastructure and data systems, completing the first phase of the data innovation project, which will power our insight capabilities through Microsoft's Azure Data Lake and Power BI dashboards.

We have launched an AI Accelerator initiative to identify and implement solutions that deliver long-term efficiency and quality. Projects range from automated reporting to AI-assisted learning and client support tools. Early results indicate significant time savings in administration and the potential to enhance training and service planning.

CAPELLA CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Environmental Sustainability

Capella is fully committed to becoming a Net Zero charity, and 2024/25 marked a significant step forward on our sustainability journey.

We successfully completed our first year in the *Net Zero Nation Accelerator Programme*, a key initiative equipping us with the knowledge and tools to embed sustainability into our operations. As part of this programme, we now track our Scope 1 and 2 emissions and will introduce a formal carbon reduction plan in 2025/26.

Our carbon footprint in 2024/25 is estimated at 55 tonnes CO₂e. During the year we have switched to a green energy tariff and are being supported by our Green Champions across all our teams.

This year, Capella was proud to be invited to speak at the *Edinburgh Chamber of Commerce and Edinburgh Community Climate Action Network*, where we shared our experience of the Net Zero journey as a third sector organisation. This invitation reflects growing recognition of Capella's leadership in sustainable practice within the charity sector. We also provided a case study through *Net Zero Nation's Testimonials* platform to help encourage other not-for-profits to embrace sustainability.

Future Plans

We have a clear operational plan and approved budget targeting £6.2m income and a surplus of £133k in 2025/26. Key developments include:

- Opening two new Next Steps hubs in Edinburgh and Musselburgh
- Expanding accredited learning in Teens+
- Hosting our first in-person Sleep Counsellor Conference since 2019
- Completion of the data governance project and rollout of Power BI

We remain watchful of local authority funding shifts and are modelling future service delivery accordingly. Sleep Action and Teens+ may be carved into separate legal entities to enhance funding opportunities.

Structure Governance and Management

Capella is a charitable company limited by guarantee, governed by a Board of Trustees who oversee strategy and compliance. Our charitable purpose is to help children and adults, particularly those with complex needs, to realise their full potential. Capella operates under its registered name and uses Sleep Action and Teens+ to represent different charitable services. Our Articles of Association, last amended on 2 December 2021, are reviewed every 5 years to ensure relevance and compliance.

The Board meets quarterly and is supported by Finance and Quality & Operations Committees. The Board consists of 12 Trustees with a minimum of 25% of our Board made up of people who have contact with our service. We complete regular skills audit and board effectiveness reviews to ensure our Board have the necessary skills to support the charity's mission and strategy. Trustees serve on a voluntary basis and receive no remuneration, though they may claim reasonable expenses related to their duties.

The Finance Committee is a sub group of the Board. The Committee reviews and recommends budgets and management accounts and advises the board on audit arrangements and financial policy.

The Quality and Operations Committee is another sub-group of the Board and monitors the quality and safety of our services in line with compliance requirements and our standards.

Trustee recruitment, induction and training

In accordance with our Articles of Association, Trustees are appointed for a three-year term, with the option to serve a second term. The charity conducts an annual skills audit, which informs board development and succession planning. The Trustee Appointments Committee is responsible for recruiting and recommending new Trustees.

CAPELLA CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

New Trustees participate in a mandatory induction programme that covers legal duties, information security, and equality and diversity. Ongoing training opportunities are available throughout the year, and we conduct an annual board performance review to ensure continuous improvement.

Benchmarking and setting remuneration of key employees

All roles were benchmarked against similar roles in the relevant sectors. Teens+ Project Worker salaries were adjusted in April 2025 following the Scottish Government social care pay uplifts.

Related parties

Two trustees are parents of students attending TEENS+: A. McLaughlin and C. Burrow.
Trustee M. Gardani is also a guest lecturer for Sleep Action, delivering training to delegates.

Reference and Administrative Information

The Directors of the charitable company (the charity) are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Trustees who served during the year are as follows:

Trustees

Suzanne Daly (Chair)	
Lisa Otty (Vice Chair)	
Stuart Lee (Treasurer)	Stood down 3rd December 2024
Colin Burrow (Chair of Finance Committee)	Appointed COFC 3rd December 2024
Julia White	
Alison McLaughlin	
Maria Gardani	
Marc Strathie	
Ian Glen	
Adrian De Andres	
Janyce Holmes	
Alan Earsman	Appointed 12th February 2025
Hannah Graham-Dalgarno	Appointed 7th July 2025

Senior Staff

G Burden	CEO
S Pearce-Madge	Head of Teens+
Z Beak	Head of HR
A O'Brien	Head of Sleep Action
C Simpson	Finance Director
C McShane	Head of Corporate Services

Registered Office and Principal Address	60 Ravenscroft Street Edinburgh, EH17 8QW
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Auditors	Thomson Cooper
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Bankers	Unity Trust Bank Royal Bank of Scotland
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Charity Registration Number	SC027560
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Company Number	SC182935
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CAPELLA CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

Statement of trustees' responsibility

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) 2006 Regulations (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

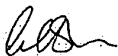
Auditor

In accordance with the company's articles, a resolution proposing that Thomson Cooper be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



.....
G Burden
CEO

02-09-25

Dated:

CAPELLA CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CAPELLA CHARITY

Opinion

We have audited the financial statements of Capella Charity (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 the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information 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.

CAPELLA CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CAPELLA CHARITY

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 requires 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' 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 statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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.

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

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

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, posting of unusual journals along with complex transactions and non-compliance with laws and regulations. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue, tested a sample of journals to confirm they were appropriate and inspected minutes from meetings held by management and trustees for any reference to breaches of laws and regulations. In addition, we reviewed areas of judgement for indicators of management bias to address these risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards).

We reviewed the laws and regulations in areas that directly affect the financial statements including applicable charity and company law and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

CAPELLA CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CAPELLA CHARITY

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the charity.

We communicated identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit. However the primary responsibility for the prevention and detection of fraud rests with the trustees.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council'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 Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

Alan Mitchell (Senior Statutory Auditor)
For and on behalf of Thomson Cooper, Statutory Auditors
Dunfermline

02-09-25
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Thomson Cooper is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CAPELLA CHARITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
<u>Income from:</u>							
Donations and legacies	3	44,706	-	44,706	9,483	-	9,483
Charitable activities	6	4,994,376	223,040	5,217,416	3,530,768	313,161	3,843,929
Other trading activities	4	13,007	-	13,007	25,080	30	25,110
Investments	5	10,750	-	10,750	8,785	-	8,785
Total income		5,062,839	223,040	5,285,879	3,574,116	313,191	3,887,307
<u>Expenditure on:</u>							
Raising funds	7	48,420	-	48,420	28,705	-	28,705
Charitable activities	8	4,799,052	279,395	5,078,447	3,505,577	294,532	3,800,109
Total expenditure		4,847,472	279,395	5,126,867	3,534,282	294,532	3,828,814
Net incoming/(outgoing) resources before transfers		215,367	(56,355)	159,012	39,834	18,659	58,493
Gross transfers between funds		(17,743)	17,743	-	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		197,624	(38,612)	159,012	39,834	18,659	58,493
Fund balances at 1 April 2024		808,266	111,260	919,526	768,432	92,601	861,033
Fund balances at 31 March 2025		1,005,890	72,648	1,078,538	808,266	111,260	919,526

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

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CAPELLA CHARITY

BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		166,726		106,436
Current assets					
Debtors	13	844,582		583,275	
Cash at bank and in hand		680,393		670,822	
		1,524,975		1,254,097	
Creditors: amounts falling due within one year	14	(613,163)		(441,007)	
Net current assets			911,812		813,090
Total assets less current liabilities			1,078,538		919,526
Income funds					
Restricted funds	15		72,648		111,260
Unrestricted funds			1,005,890		808,266
			1,078,538		919,526

The Trustees consider that the company is entitled to the exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2020 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to small companies within Part 15 of the Companies Act 2006 and in accordance with Financial Reporting Standard 102.

02-09-25

The financial statements were approved by the Trustees on



S Daly
Chair

Company Registration No. SC182935

CAPELLA CHARITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	19		89,123		148,219
Investing activities					
Purchase of tangible fixed assets		(90,302)		(17,197)	
Interest received		10,750		8,785	
Net cash used in investing activities			(79,552)		(8,412)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			9,571		139,807
Cash and cash equivalents at beginning of year			670,822		531,015
Cash and cash equivalents at end of year			680,393		670,822

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Capella Charity is a private company limited by guarantee incorporated in Scotland. The liability of each member in the event of winding-up is £1.

The registered office is 60 Ravenscroft Street, Edinburgh, EH17 8QW.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared on a going concern basis under the historical cost convention.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for a period of not less than 12 months. The trustees consider that the charity has sufficient reserves to ensure short term liquidity and longer-term financial viability. As such the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.4 Incoming resources

All incoming resources are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income received from donations and legacies are recognised where there is entitlement, certainty of receipt and amounts can be measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income received from charitable activities, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Grants, where entitlement is not conditional on the delivery of a specific performance, are recognised when the charity becomes unconditionally entitled to the grant. Where a grant is received for a specific purpose, it is included in restricted income and any unexpended portion carried forward as a restricted fund.

Income from other trading activities is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income includes interest on funds held on deposit and is included when receivable and the amount can be measured reliably by the charity, normally upon notification of the interest paid or payable by the Bank.

1.5 Donated Services

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.6 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Staff costs are allocated on the basis of time spent on each activity by employees and other overheads according to estimated usage. Expenditure is classified under the following activity headings, where applicable:

- Cost of raising funds comprises the costs of the general fundraising activities of the charity, and their associated support costs.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including the costs of delivering various project objectives, and their associated support costs.
- Other expenditure comprises costs not falling into any other heading.

The charity is not registered for VAT and therefore all expenditure is recorded inclusive of VAT.

1.7 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, payroll, general administration, and governance costs and are incurred directly in support of expenditure on the objects of the charity. The bases on which support costs have been allocated are on a direct basis or as a proportion of time spent.

1.8 Operating leases

The total cost of assets held under operating leases is charged to the profit and loss account as they fall due.

1.9 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	7% on a straight line basis
Fixtures, fittings & equipment	25% on a straight line basis
Office equipment	25% on a straight line basis

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and cash in hand includes cash and all amounts held within bank current and deposit accounts.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 Pensions

The charity operates a defined contribution scheme. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting year.

1.15 Taxation

The charity meets the definition of a charitable company for UK corporation tax purposes and is therefore considered exempt.

1.16 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

3 Donations and legacies

	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds
	2025 £	2025 £	2024 £	2024 £
Donations and gifts	44,706	-	9,483	-

4 Other trading activities

	Unrestricted funds	Restricted funds	Total	Total
	2025 £	2025 £	2025 £	2024 £
Sundry income	13,007	-	13,007	25,110

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	10,750	8,785

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

6 Charitable activities

	2025 £	2024 £
Grants and awards receivable	223,040	313,161
TEENS+ Service charges	4,571,451	3,201,251
Training course fees	237,893	198,182
Befriending income	185,032	131,335
	<u>5,217,416</u>	<u>3,843,929</u>
Analysis by fund		
Unrestricted funds	4,994,376	3,530,768
Restricted funds	223,040	313,161
	<u>5,217,416</u>	<u>3,843,929</u>
Grants and Awards Receivable		
H&SC Alliance Grant	19,656	37,306
LA Edinburgh	-	17,137
Garfield Weston Grant	25,000	-
Scottish Government	89,250	89,250
The National Lottery	86,197	110,440
Trans Ed Grants & Donations	2,937	21,208
Robertson Trust	-	37,400
Other grants and awards	-	420
	<u>223,040</u>	<u>313,161</u>

7 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Other fundraising costs	48,420	28,705
	<u>48,420</u>	<u>28,705</u>

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

8 Charitable activities

	Sleep Counselling and Support	TEENS+ & Friends+ (respite)	Sleep Training	Total
	2025 £	2025 £	2025 £	2025 £
Salary costs	160,837	3,271,691	136,521	3,569,049
Depreciation and impairment	930	26,357	-	27,287
Recruitment, training & travel	2,204	25,108	9,922	37,234
Rent, rates & insurance	-	264,137	-	264,137
Utilities	-	53,783	-	53,783
Other premises costs	-	83,883	-	83,883
Office/Centre costs	5,589	41,847	11,084	58,520
Activities, transport & catering	-	71,261	-	71,261
Cost of training events	-	-	45,104	45,104
Professional fees	-	37,220	-	37,220
Marketing & conferences	-	-	1,195	1,195
New Centre set up costs	-	60,195	-	60,195
	<u>169,560</u>	<u>3,935,482</u>	<u>203,826</u>	<u>4,308,868</u>
Share of support costs (see note 9)	19,115	624,670	35,753	679,538
Share of governance costs (see note 9)	2,533	82,771	4,737	90,041
	<u>191,208</u>	<u>4,642,923</u>	<u>244,316</u>	<u>5,078,447</u>
Analysis by fund				
Unrestricted funds	-	4,556,736	242,316	4,799,052
Restricted funds	191,208	89,187	2,000	279,395
	<u>191,208</u>	<u>4,642,923</u>	<u>244,316</u>	<u>5,078,447</u>

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

8 Charitable activities

(Continued)

	Sleep Counselling and Support	TEENS+ & Friends+ (respite)	Sleep Training	Total
	2024 £	2024 £	2024 £	2024 £
Salary costs	169,262	2,299,214	104,637	2,573,113
Depreciation and impairment	930	22,302	-	23,232
Recruitment, training & travel	2,882	17,479	4,180	24,541
Rent, rates & insurance	-	186,026	-	186,026
Utilities	-	60,518	-	60,518
Other premises costs	-	46,198	-	46,198
Office/Centre costs	5,911	18,270	13,886	38,067
Activities, transport & catering	-	40,373	-	40,373
Cost of training events	-	-	23,839	23,839
Professional fees	-	92,003	-	92,003
Marketing & conferences	-	-	15,043	15,043
New Centre set up costs	-	101,532	-	101,532
	<u>178,985</u>	<u>2,883,915</u>	<u>161,585</u>	<u>3,224,485</u>
Share of support costs (see note 9)	16,623	455,266	36,389	508,278
Share of governance costs (see note 9)	2,203	60,324	4,819	67,346
	<u>197,811</u>	<u>3,399,505</u>	<u>202,793</u>	<u>3,800,109</u>
Analysis by fund				
Unrestricted funds	-	3,307,282	198,293	3,505,575
Restricted funds	197,811	92,223	4,500	294,534
	<u>197,811</u>	<u>3,399,505</u>	<u>202,793</u>	<u>3,800,109</u>

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between its key charitable activities undertaken in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Staff costs	436,592	57,850	494,442	397,267	46,141	443,408
Depreciation	2,406	319	2,725	2,151	285	2,436
Audit fees	7,900	1,047	8,947	6,989	926	7,915
Other administrative overheads	232,640	30,825	263,465	101,871	19,994	121,865
	<u>679,538</u>	<u>90,041</u>	<u>769,579</u>	<u>508,278</u>	<u>67,346</u>	<u>575,624</u>

All costs are allocated to activities on a direct basis, where appropriate, with all shared expenditure allocated on a percentage basis, calculated related to time spent.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Direct charitable activity	167	140
Support staff	16	12
	<u>183</u>	<u>152</u>

Employment costs

	2025 £	2024 £
Wages and salaries	3,686,290	2,755,554
Social security costs	308,404	213,494
Other pension costs	68,797	47,473
	<u>4,063,491</u>	<u>3,016,521</u>

The total amount of employee benefits received by key management personnel of the charity is £315,925 (2024: £303,533). The charity considers its key management personnel comprise the Chief Executive Officer, Finance Director, Head of TEENS+, Head of Sleep Action, Head of HR and Head of Corporate Services.

The number of employees whose annual remuneration was £60,000 or more were:

2025 Number	2024 Number
<u>1</u>	<u>1</u>

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2024	387,698	97,385	485,083
Additions	71,686	18,616	90,302
	<u>459,384</u>	<u>116,001</u>	<u>575,385</u>
At 31 March 2025			
Depreciation and impairment			
At 1 April 2024	301,544	77,103	378,647
Depreciation charged in the year	20,815	9,197	30,012
	<u>322,359</u>	<u>86,300</u>	<u>408,659</u>
At 31 March 2025			
Carrying amount			
At 31 March 2025	137,025	29,701	166,726
	<u>86,154</u>	<u>20,282</u>	<u>106,436</u>
At 31 March 2024			

13 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	698,891	184,460
Other debtors and prepayments	145,691	398,815
	<u>844,582</u>	<u>583,275</u>

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	70,131	56,898
Trade creditors	177,165	141,887
Other creditors	95,961	38,534
Accruals and deferred income	269,906	203,688
	<u>613,163</u>	<u>441,007</u>

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

Movement in funds

	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Balance at 31 March 2025
	£	£	£	£	£
Sleep	7,281	166,183	(191,207)	17,743	-
TEENS+	44,257	56,857	(74,643)	-	26,471
Ravenscroft	57,722	-	(11,545)	-	46,177
Sleep Training Grants	2,000	-	(2,000)	-	-
	<u>111,260</u>	<u>223,040</u>	<u>(279,395)</u>	<u>17,743</u>	<u>72,648</u>

Movement in funds

	Balance at 1 April 2023	Incoming resources	Resources expended	Transfers	Balance at 31 March 2024
	£	£	£	£	£
Sleep	8,297	196,794	(197,810)	-	7,281
TEENS+	8,537	116,398	(80,678)	-	44,257
Ravenscroft	69,267	-	(11,545)	-	57,722
Sleep Training Grants	6,500	-	(4,500)	-	2,000
	<u>92,601</u>	<u>313,192</u>	<u>(294,533)</u>	<u>-</u>	<u>111,260</u>

Purposes of Restricted Funds

Sleep Counselling
and Support

Amounts represent funding received for Sleep Counselling.

TEENS+

Amounts represent funding received for the TEENS+ education project.

Ravenscroft

Amounts represent funding received from third parties towards the development of Ravenscroft Hall.

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

16 Analysis of net assets between funds

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £
Fund balances at 31 March 2025 are represented by:						
Tangible assets	113,042	53,684	166,726	48,713	57,723	106,436
Current assets/(liabilities)	892,848	18,964	911,812	759,553	53,537	813,090
	<u>1,005,890</u>	<u>72,648</u>	<u>1,078,538</u>	<u>808,266</u>	<u>111,260</u>	<u>919,526</u>

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	254,151	156,672
Between two and five years	711,828	232,960
In over five years	273,000	301,000
	<u>1,238,979</u>	<u>690,632</u>

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

18 Related party transactions

The charity has provided services to a close family member of Alison McLaughlin during the year. These services have a value of £38,878 (2024: £32,994) and have been charged to Alison at arms length. At the balance sheet date, the amount of £4,743 (2024: £141) was outstanding in relation to the services provided. This is included within trade debtors in the accounts.

The charity has provided services to a close family member of Colin Burrow during the year. These services have a value of £57,116 (2024: £42,529) and have been charged to Colin at arms length. At the balance sheet date, the amount of £8,387 (2024: £Nil) was outstanding in relation to the services provided.

CAPELLA CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19	Cash generated from operations	2025 £	2024 £
	Surplus for the year	159,012	58,493
	Adjustments for:		
	Investment income recognised in statement of financial activities	(10,750)	(8,785)
	Depreciation and impairment of tangible fixed assets	30,012	25,668
	Movements in working capital:		
	(Increase) in debtors	(261,307)	(152,511)
	Increase in creditors	172,156	225,354
	Cash generated from operations	<u>89,123</u>	<u>148,219</u>