

**Company Registration Number SC193404
Registered Charity Number SC031026**

**THE CAPITAL CITY PARTNERSHIP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**

**THE CAPITAL CITY PARTNERSHIP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

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**THE CAPITAL CITY PARTNERSHIP LIMITED
MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Directors Donald Urquhart
Ella Simpson (resigned 4 May 2021)
Stephanie Smith
Mandy Watt
George Gordon
Bridget Ashrowan (appointed 4 May 2021)

Company Secretary Rona Hunter

Registered Office 165a Leith Walk
Edinburgh
Scotland
EH6 8NR

Bankers The Bank of Scotland
52 Shandwick Place
Edinburgh
EH2 4SB

Solicitors Burness Paul Solicitors
50 Lothian Road
Edinburgh
EH3 9WJ

Auditor BDO LLP
Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

**THE CAPITAL CITY PARTNERSHIP LIMITED
DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Directors have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2021.

STATUS

The organisation is an arm's length organization of the City of Edinburgh Council, a charitable company limited by guarantee incorporated on 5 February 1999 and recognized as a charity by the Inland Revenue on 1st April 2000.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

PRINCIPAL ACTIVITIES

The Capital City Partnership (CCP), since its formation, has promoted community regeneration by using a robust evidence base to report on and add value to local programmes and mainstream services aimed at tackling aspects of exclusion, disadvantage and poverty. It continues to bring together key statutory, voluntary, community and private sector organizations to promote change and joint working in order to address poverty. Drawing on the expertise of the staff team and its partners, CCP identifies and addresses the barriers to social inclusion by promoting a collaborative approach to tackling poverty.

The Partnership supports the Joined Up For Jobs and Joined Up for Business strategies and also the Edinburgh and Southeast Scotland City Region Deal. Resources are focused on a range of activities including procurement and performance management of employment support services to supplement the statutory services delivered by its member agencies.

The company is an arm's length organization (ALEO) of the City of Edinburgh Council. This was agreed to be the most appropriate means of providing an efficient delivery mechanism for employability services in a financially challenging economic situation. This mechanism is supported by a service level agreement between the City of Edinburgh Council and Capital City Partnership and secures funding levels for the period to March 2022 with annual renewal thereafter. The SLA provides guidance on the respective roles and responsibilities of the two organizations and a robust collaborative approach to service delivery across key areas.

Under the Service Level Agreement, Capital City Partnership's focus is on provision of contract, performance, audit and compliance management functions for services funded within the city's Integrated Employability Service. It also provides development / administrative support to the city's Jobs Strategy including a web-based MIS, websites, directories and online forums.

The company also manages the Intensive Family Service, Integrated Knowledge Systems and Integrated Employer Engagement activities on behalf six local authority regions under the Edinburgh and Southeast Scotland City Region Deal which runs until 2026.

ORGANISATION STRUCTURE

The Capital City Partnership is governed by a Memorandum and Articles of Association which stipulates the statutory and non-statutory organizations which form the partnership and from which the Board of Directors is appointed. Members of the Board of Directors, who are Directors for the purposes of company law and trustees for the purposes of charity law, who served during the period up to the date of this report are listed on page 1. The Directors are elected at the AGM to serve at least until the next AGM.

The Board of Directors maintains its ability to gather opinion and expertise from a wide range of organizations, thus influencing policy and improving the steering role of the Board of Directors.

Board meetings are scheduled on a quarterly basis however the Chair can convene extraordinary meetings of the Board in addition to scheduled meetings if circumstances require urgent action. The Board is responsible for all strategic decisions. The Chief Officer has delegated authority from the Board to manage the organization on a day to day basis, to make funding decisions in relation to core operational matters and to recommend strategic decisions for discussion / homologation by the Board.

**THE CAPITAL CITY PARTNERSHIP LIMITED
DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

ORGANISATION STRUCTURE (CONTINUED)

The Chief Executive and staff hold fortnightly team meetings at which projects and activities are discussed and progress reviewed.

ACHIEVEMENTS AND PERFORMANCE

The pandemic presented significant challenges which were reflected in the performance of service delivery contracts across the employability network, but CCP worked with providers to adapt to and address the crisis productively. Over the course of the year, the company continued to contract manage and performance monitor approximately 35 projects under the auspices of the CEC Employability Programme and maintained common infrastructure including the web-based MIS and Joined Up For Jobs website / directories. Specifically in response to the economic downturn, the company established a successful Rapid Response Recruitment online portal to facilitate job opportunities and to support employment supply and demand in a highly volatile economic landscape.

The key areas of focus in 2020-21 (as reported to the city council under our SLA reporting requirements) were;

- To monitor and report performance of the employability services contracts as specified under the SLA with the City of Edinburgh Council
- To facilitate the Job Strategy and Joined Up for Business Groups.
- To lead on and develop three work streams of the Edinburgh and South East Scotland City Regional Deal Employability and Skills sector.
- To maintain a focus (in respect of services managed) on the city's most disadvantaged residents and communities while acknowledging that the economic and health crisis was impacting across the wider population.
- To strive to impact upon on the reduction of in work poverty
- To promote recruitment skills models in Fort Kinnaird and Edinburgh St James

The Recruitment Skills Models at Fort Kinnaird and FUSE (Edinburgh St James) were heavily impacted by both the pandemic and the withdrawal of core funding by the City of Edinburgh Council, however British Land and Edinburgh St James continued to support Fort Kinnaird and FUSE respectively and CCP continued to provide a staff team to retain operational viability. As lockdown eased, both recruitment centres began to re-engage with key stakeholders including ESJ, British Land, Skills Development Scotland and Department of Work and Pensions. The team were able to facilitate a range of retail and hospitality focused upskilling and training courses in preparation for full re opening of both centres.

CCP continued to contract manage Activity Agreements and Participatory Budget agreements with Youth Services projects on behalf of the City of Edinburgh Council, a methodology which has stimulated innovation in project design, while the Maximise project continued to work with vulnerable families via schools and community groups albeit remotely in most cases.

The company is a core stakeholder in the Employability Skills (IRES) element of the Edinburgh and Southeast Scotland City Regional Deal, with lead responsibility for the Integrated Knowledge Systems (IKS) and delivery of the Integrated Employer Engagement (IEE) and Intensive Family Support (IFS) services. The IKS and IEE teams collaborated to successfully trial a new Management Information System with a range of providers and employers. The IKS team continued to develop the data range, compatibility and data sharing parameters across partner agencies. The IEE team launched the RRR site to meet the demands of sudden large-scale unemployment and mass migration of employment opportunities between sectors and developed a Community Benefits portal to better inform and identify benefits for contractors, funders and communities. The IFS team procured and contract managed services in the six LA regions, supported the Maximise project and continued to work collaboratively with Edinburgh University researchers to develop insightful data from the interlinked activities around family focused support.

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DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

COST OF DELIVERY

Core expenditure for the company is primarily staff and office related however efforts were made to ensure that core costs remain low in proportion to overall expenditure. Net staff and operational costs account for 12% of overall expenditure.

FUTURE PLANS

The focus is upon continuing to monitor and support existing activity streams while securing additional funding and identifying emerging themes. The challenge continues to be the impact of the pandemic in terms of lower job security and increased poverty however enforced changes to working conditions and patterns over the year may permanently change the landscape and CCP has continued to demonstrate resilience and adaptability throughout, seeking new, innovative and responsive approaches wherever possible.

The company will continue to primarily focus on fulfilling the requirements of the Service Level Agreement with CEC including additional contract management responsibility for Parental Employment Support and PACE grants. The company will continue to develop the Integrated Employability Regional Skills elements of the Edinburgh and Southeast Scotland City Regional Deal (ESES CRD), including expansion and roll out of the MIS across the six regions, forging strong partnerships with employability and employer engagement teams across the partner agencies and tackling poverty holistically through family focused support. Work is ongoing to commission an overarching platform to allow deep data analysis. This should ultimately provide a more nuanced understanding of the employability landscape and the value / impact of employability interventions currently on offer.

Extension funding has been confirmed through the Scottish Government Investing in Communities Fund to continue to provide community focused work and a small grants scheme which will now work in tandem with IFS activities to March 2023 with potential for further funding to March 2026. Maximise Futures which is funded by the National Lottery, continues to work in harmony with the Young Persons Guarantee team who are now fully operational at CCP with funding from CEC.

The enormous impact of COVID-19 on the employment and skills sectors is still being absorbed and key national and local authority data will inform the direction of travel for CCP in the coming year, including the development and direction of the two recruitment skills centres at Edinburgh St James and Fort Kinnaird.

GRANT MAKING POLICY

Capital City Partnership works with a range of funders and grant making policy is driven by specific funder requirements combined with statutory financial and regulatory rules but is founded upon a programme of funding which is outcome based and employability focused.

Grants are made to organisations for specific activities which meet the requirements set out in the funding guidance documents. A funding panel comprising representatives of each funding partner will score funding applications to strict criteria and award funds based both on aggregate score and funding limitations. Contracts drawn up with the successful organisations stipulate funding criteria, reporting format / timeframe, payment schedule and actions required throughout the year.

Progress is monitored by CCP and reported to the Board of Directors through performance management reports.

RISK MANAGEMENT

Systems and procedures have been reviewed and strengthened since the onset of the pandemic and risk assessments / mitigating actions have been developed to support staff during the long period of remote working. Monthly assessment of office health and safety continues to be a priority in preparation for phased return to work when possible.

Financial controls are regularly reviewed to ensure all transactions are authorised and documented. Investment in IT has increased to bolster the remote working capacity of the organization including

**THE CAPITAL CITY PARTNERSHIP LIMITED
DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

improved cloud back up and anti-virus. The staff handbook and company policies have been comprehensively reviewed and updated to be compliant with current employment law / GDPR requirements. A risk register is reviewed regularly by the management team and the ESESCRD activities require mandatory monthly / quarterly risk reports.

RESERVES POLICY

Due to the requirements in respect of reporting on pension provision and the fluctuation of pension investments / returns it is difficult to identify with confidence the absolute level of reserves which the company is required to maintain in respect of pension liabilities. However, steps have been taken to make best use of any reserves available, to mitigate risk and to secure a diverse range of funding.

The Unrestricted General Fund represents the unrestricted funds arising from past operating results. It also represents the free reserves of the charity. The directors are satisfied that the fund, amounting to £535,700 (2020 £624,483) approximates to the equivalent of 10 months operating expenditure. The Board aims to have a free reserve target of up to 12 months, which at current operating levels equates to £627,000.

The Restricted Funds represent those activities which have included support from external funding sources whose criteria limits the use of the funds or stipulates specific reporting requirements. CCP aims to support activities using any appropriate funds made available for the purpose and in doing so, the organization takes care to scrutinize funding agreements and adhere to any specific requirements therein. The Directors are aware of the need for transparency and accountability, therefore all restricted funds are accounted for using dedicated cost centres and reports are provided to funders as per contractual agreements.

FINANCIAL REVIEW

The Board of Directors regularly receives financial reports and exercises prudence when necessary. The annual budget is set at the first board meeting of the year alongside budget outturn for the preceding year. Routine updates are provided to directors in year with attention drawn to variations on budget. A report detailing performance of contracted services is also provided to the Board of Directors at each meeting. The reserves position is reviewed regularly to ensure an adequate but not excessive reserve is maintained for operational activities and other liabilities. Financial operations in general have been within the anticipated level. Given the fluctuating position year on year in respect of LPF liabilities and the continuing reductions in core income from the SLA, the company is focused on reducing overheads and maximizing / diversifying income. Biannual structural reviews are undertaken, financial forecasts are reviewed quarterly and current office lease is due for renewal in September 2021.

Income for 2021 was £5,676,171 with prior year income of £4,857,877. The net increase in income is due to the first full year of the City Regional Deal and additional contract management for CEC. Expenditure in 2021 was £5,538,812 which represents an increase of £883,331 on prior year in line with the increase in income due to new funding streams.

GOING CONCERN

The Directors have prepared the financial statement on a going concern basis as a review of the budget for the 2021/22 period indicates that reserves are adequate to meet the needs of the organization for the foreseeable future. In making this assessment the Board have considered the 12 months period beyond sign off and in doing so are aware that the Service Level Agreement in place with the City of Edinburgh Council has been approved for a period to March 2022 with probability of renewal annually. The Board are confident that adequate levels of funding will be received and in light of holding net current assets on 31 March 2021 of £1,658,899 which are mainly represented in cash they support the going concern basis of preparation for a period of 12 months from date of approval of these financial statements.

**THE CAPITAL CITY PARTNERSHIP LIMITED
DIRECTORS' ANNUAL REPORT
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MEMBERS

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees on 31 March 2021 was 5.

DIRECTORS RESPONSIBILITIES

The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the Directors 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 the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**THE CAPITAL CITY PARTNERSHIP LIMITED
DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

PROVISION OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are individually aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Signed by order of the
Directors

Cllr George Gordon
CHAIR

Date: 27th August 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF THE CAPITAL CITY PARTNERSHIP LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 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.

We have audited the financial statements of The Capital City Partnership Limited ("the charitable company") for the year ended 31 March 2021 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF THE CAPITAL CITY PARTNERSHIP LIMITED

Other Companies Act 2006 reporting

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. ;or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime; or
- were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and to the exemption from the requirement to prepare a strategic report

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF THE CAPITAL CITY PARTNERSHIP LIMITED

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

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- reading minutes of meetings of those charged with governance; reviewing correspondence with regulatory bodies and from legal advisors to identify indications of non-compliance with laws and regulations;
- assessing the design and implementation of the control environment to identify areas of material weakness to focus the design of our audit testing;
- determining whether the accounting policies and presentation adopted in the financial statements are in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice);
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business;
- vouching balances and reconciling items in key control accounts reconciliations to supporting documentation as at 31 March 2021; and
- carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate supporting documentary evidence to verify the completeness, existence and accuracy of the reported financial statements.

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

A further description of our responsibilities 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's 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 charitable company's directors and 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Edinburgh, UK

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

THE CAPITAL CITY PARTNERSHIP LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (incorporating
INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income from:					
Charitable activities		532,250	5,143,220	5,675,470	4,854,459
Other trading activities		364	-	364	120
Investments		337	-	337	3,298
Total	4	532,951	5,143,220	5,676,171	4,857,877
Expenditure on:					
Charitable activities		(693,734)	(4,845,078)	(5,538,812)	(4,655,481)
Total	5	(693,734)	(4,845,078)	(5,538,812)	(4,655,481)
Net income/(expenditure)	7	(160,783)	298,142	137,359	202,396
Transfer between funds	15, 16	-	-	-	-
Actuarial gains/(losses) on defined benefit pension scheme	13	(503,000)	-	(503,000)	278,000
Net movement in funds		(663,783)	298,142	(365,641)	480,396
Reconciliation of funds					
Total funds brought forward		468,483	856,489	1,324,972	844,576
Total funds carried forward at 31 March 2021	17	(195,300)	1,154,631	959,331	1,324,972

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classified as continuing.

The notes on pages 14 to 29 form part of the financial statements.

THE CAPITAL CITY PARTNERSHIP LIMITED
BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	29,516	38,776
Current assets			
Debtors	11	711,559	313,996
Cash at bank		1,753,525	1,342,035
		<u>2,465,084</u>	<u>1,656,031</u>
Liabilities			
Creditors: amounts falling due within one year	12	(804,269)	(213,835)
Net current assets		<u>1,660,815</u>	<u>1,442,196</u>
Net assets			
Defined benefit pension scheme liability	13	(731,000)	(156,000)
Total net assets		<u>959,331</u>	<u>1,324,972</u>
The funds of the charity:			
Restricted funds	16	1,154,631	856,489
Unrestricted funds:			
General reserve	15	535,700	624,483
Pension reserve	13, 15	(731,000)	(156,000)
Total charity funds	17	<u>959,331</u>	<u>1,324,972</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of The Companies Act 2006.

These financial statements were approved and authorised for issue by the directors on and are signed on their behalf by:

Cllr George Gordon
CHAIR

The notes on pages 14 to 29 form part of the financial statements.

THE CAPITAL CITY PARTNERSHIP LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Net income/(expenditure) for the reporting period	137,359	202,396
Adjustments for:		
Depreciation charges	49,852	16,171
Interest receivable	(337)	(3,298)
Interest payable – pension scheme	4,000	9,000
Defined benefit pension scheme – FRS 102 adjustment less employer contributions	68,000	77,000
(Increase)/decrease in debtors	(397,562)	(305,986)
(Decrease)/increase in creditors	590,433	(544,355)
Net cash (used in)/provided by operating activities	451,745	(549,072)
Cash flows from investing activities		
Purchase of tangible fixed assets	(40,592)	(40,276)
Interest receivable	337	3,298
Net cash used in investing activities	(40,255)	(36,978)
Change in cash and cash equivalents in the year	411,490	(586,050)
Cash and cash equivalents at the beginning of the year	1,342,035	1,928,085
Cash and cash equivalents at the end of the year	1,753,525	1,342,035

The notes on pages 14 to 29 form part of the financial statements.

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

1. General Information

The Capital City Partnership Limited is a charitable company limited by guarantee, incorporated in Scotland, UK. The company's registered office and company number are disclosed on the company information page. The Capital City Partnership Limited constitutes a public benefit entity as defined by FRS 102. The company's principal activity is as described in the directors' report.

The presentation currency of these financial statements is GBP. Rounding to the nearest pound has been applied in the preparation of these financial statements.

2. Accounting policies

(a) Basis of preparation

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

(b) Going concern

The company currently operates with a mixture of public and private sector funding. A Service Level Agreement (SLA) with the City of Edinburgh Council is a key aspect of the financial stability of the company as is the Edinburgh and South East Scotland City Regional Deal funding (ESESCRD). The current SLA expires on 31 March 2022. Negotiations for further years SLA should begin in December 2021. ESESCRD is a seven years strategy and funding stream, expiring in March 2027.

Given the nature of the work undertaken by the company and the current economic climate, demand for services has been high, with employability, skills, labour market intelligence, welfare support and tackling poverty and social injustice being high on the national agenda. The need for this work is increasing as the detrimental effects of the economic situation become apparent. There is no indication that CEC SLA funding nor Scottish Government ESESCRD funding will cease and every indication that services will continue to be required at a more intensive pace.

The unexpected removal of either of these funding streams would not only impact on the company's ability to secure financial leverage which is key to current strategic plans, but would seriously affect the viability of the company, however as the demand for services is increasing and both funding streams are considered relatively stable, the risk that this scenario would arise is deemed relatively low and a policy of bolstering the general reserve last year was deliberately pursued with the aim of mitigating the effects of volatility such as may be generated by the current economic situation. Financial models have been prepared for the period ending April 2023 which set out the funding streams, their probability and the associated costs as well as the cash flow position for the same period. Should the company be unsuccessful in being awarded the SLA beyond March 2022, then mitigating actions would be taken to reduce costs to ensure there was no adverse impact on the ability of the company to meet all liabilities as they fall due.

The Directors therefore consider that operational capacity, demand for services and current financial health of the company do not represent a material uncertainty in relation to the going concern basis of preparation of the financial statements.

(c) Consolidation

The charity's financial statements are consolidated within the financial statements of the City of Edinburgh Council. As stated in the Articles of Association, The City of Edinburgh Council are the members of the charitable company and as a result have control over the activities of the charity as well as the ability to appoint and remove directors. The consolidated statements are available to the public and can be obtained from www.edinburgh.gov.uk.

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

(d) Income

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they relate. Grants received during the period but relating to a future accounting period are included under deferred income.

Donations and legacies are received by way of donations and gifts and are included in full in the Statement of Financial Activities when receivable. This also includes Core Grant Funding.

Income from investments is included when receivable.

(e) Expenditure

Expenditure is charged to a particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Charitable activities	80%
Support costs	20%

Governance costs are charged directly to the Statement of Financial Activities when incurred and include audit and accountancy fees and any directors' expenses. These are charged to the activity to which they relate.

Grants are recognised in full in the Statement of Financial Activities in the year in which an offer is formally accepted by the benefactor.

(f) Fixed assets

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment	evenly over 3 years
Fixtures and fittings	evenly over 4 years

All fixed assets are initially recorded at cost. Items of expenditure are capitalised where the purchase price exceeds £500.

(g) Fund accounting

Unrestricted funds are donations and other incoming resources receivable for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of management and support costs.

(h) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the surplus on a straight-line basis over the period of the lease.

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

(i) Pensions

The company participates in a multi-employer defined benefit pension scheme into which payments are made. The current service costs are charged to the Statement of Financial Activities as they fall due (see note 13).

The organisation fully adopts the Financial Reporting Standard FRS102 Section 28 'Employee Benefits'. The scheme actuary has calculated the split of net assets and liabilities between the participating employers. The impact on the results and on reserves is given in note 13 to the financial statements and the Statement of Financial Activities.

The Statement of Financial Activities is charged with the cost of providing pension benefits earned by employees in the period. The interest on pension scheme assets less the interest on pension scheme liabilities is included as part of this charge. Actuarial gains and losses arising in the period from the difference between actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in demographics and financial assumptions, are included in total recognised gains and losses.

The organisation's share of the accumulated pension scheme deficit is recognised in full and included in the balance sheet.

(j) Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

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

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

(k) Termination benefits

The Capital City Partnership Limited accepts that there are occasions when it may be necessary to make staff redundant or terminate their employment; our intention is to manage the business in a manner which results in secure employment for our employees and will always try to avoid the need for compulsory redundancies. Payments for redundancy are calculated on the basis of paying the statutory entitlements or above.

(l) Cash and cash equivalents

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

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

(m) Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and measured subsequently at amortised cost using the effective interest method, less any impairment.

(n) Creditors

Short term creditors are measured at the transaction price, less any impairment. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and measured subsequently at amortised cost using the effective interest method.

3. Key judgement and areas of estimation uncertainty

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

- **Grants receivable & payable**

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

- **Pension**

The actuarial assumptions used in calculating the defined benefit pension scheme requires judgement on the part of the trustees. In making these assumptions, advice has been taken from an independent qualified actuary. The assumptions are all shown in note 13.

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

4. Income

	Unrestricted £	Restricted £	Total 2021 £
Income from charitable activities (2021)			
Grants received			
- Employer engagement	60,000	-	60,000
- City of Edinburgh Council	472,250	3,188,217	3,660,467
- City Regional Deal	-	1,155,293	1,155,293
- Scottish Government funding	-	45,100	45,100
- Skills centres	-	316,110	316,110
- Maximise	-	416,000	416,000
- Youth Programme	-	22,500	22,500
	532,250	5,143,220	5,675,470
Income from other trading activities			
Reimbursements			
	364	-	364
	364	-	364
Income from Investments			
Bank interest			
	337	-	337
Total income	532,951	5,143,220	5,676,171

	Unrestricted £	Restricted £	Total 2020 £
Income from charitable activities (2020)			
Grants received			
- Employer engagement	45,000	-	45,000
- Youth employment	-	177,150	177,150
- City of Edinburgh Council	485,400	3,004,119	3,489,519
- City regional deal	-	346,805	346,805
- Scottish Government funding	-	5,950	5,950
- Skills centres	-	397,035	397,035
- Maximise	-	393,000	393,000
	530,400	4,324,059	4,854,459
Income from other trading activities			
Service charges			
	-	120	120
	-	120	120
Income from Investments			
Bank interest			
	3,298	-	3,298
Total income	533,698	4,324,179	4,857,877

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

5. Expenditure

	Activities undertaken £	Direct grants (note 8) £	Support and governance costs (note 6) £	2021 Total £
Charitable activities (2021):				
Furthering social justice in Edinburgh	1,032,261	4,232,112	276,322	5,540,695
Total	1,032,261	4,232,112	276,322	5,540,695

	Activities undertaken £	Direct grants (note 8) £	Support and governance costs (note 6) £	2020 Total £
Charitable activities (2020):				
Furthering social justice in Edinburgh	851,706	3,580,203	223,572	4,655,481
Total	851,706	3,580,203	223,572	4,655,481

In 2021 expenditure on charitable activities was £5,540,695 (2020: £4,655,481) of which £695,650 (2020: £453,654) was expenditure from unrestricted funds and £4,845,078 (2020: £4,201,827) was expenditure from restricted funds.

6. Support and governance costs

Furthering social Justice in Edinburgh

	2021 £	2020 £
Management, IT, finance and interest	267,655	212,854
Governance costs	8,700	10,718
Total support costs	276,322	223,572

7. Net income/(expenditure)

Net income/ (expenditure) is stated after charging/ (crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	19,549	16,171
Auditor's remuneration	8,700	9,240
Defined benefit pension scheme – pension costs	201,000	162,000
Defined contribution pension scheme – pension costs	18,585	17,827
Operating lease:		
Rent payable	53,075	33,000

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

8. Grants payable

	2021	2020
	£	£
Grants to institutions:		
Action for Children	110,936	110,936
All Cleaned Up Scotland	52,056	52,057
Access to Industry	356,093	319,426
Barnardos	63,750	-
Borders Council	21,250	-
Bridgend Growing Communities	-	4,750
Broomhouse Centre	47,520	26,687
Cannongate Youth Centre	78,376	81,355
Caselink (Iconi)	38,179	35,592
CHAI	271,278	286,710
Childcare Connections	132,240	132,240
Children 1st	345,875	165,089
Citadel Youth Centre	74,850	65,720
City of Edinburgh Council	249,729	236,854
Community One Stop Shop	-	3,750
Community Renewal	764,364	760,053
Datakirk	5,000	-
Digital Skills Academy	-	17,792
Dunedin Canmore Housing Association	115,502	84,904
East Lothian Council	15,000	-
Edinburgh Cyrenians	115,000	115,000
Edinburgh Trade Unions Council	47,250	47,250
Employer Fund (IEE ESESCRD)	74,206	-
Enable Scotland	34,666	-
Foursquare	-	11,875
Gingerbread (Fife)	70,000	-
Hanlon Systems	156,722	-
Impact Arts	70,000	70,000
Kidzcare	81,199	89,598
Linknet Mentoring	36,060	36,060
Move on	-	9,578
North Edinburgh Childcare	395,369	395,369
Out of the Blue	-	7,625
Rural and Urban Training Scheme	-	18,368

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

8. Grants payable (continued)

	2021	2020
	£	£
Smilechildcare	258,813	258,813
Venture Trust	-	9,934
Volunteer Centre Edinburgh	87,520	72,520
West Lothian Council	25,000	-
West Pilton Neighbourhood Centre	-	19,298
Work Rite	35,000	35,000
Grants of £1,000 or less	3,579	-
	<u>4,232,112</u>	<u>3,580,203</u>

9. Staff costs and numbers

	2021	2020
	£	£
Salaries and wages	703,479	614,535
Social security costs	67,191	57,566
Defined benefit pension scheme costs	201,000	162,000
Defined contribution pension costs	18,585	18,827
Termination benefits- redundancy	28,737	12,060
	<u>1,018,992</u>	<u>864,988</u>

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2021	2020
	Number	Number
Chief executive	1	1
Project and support staff	18	15
Finance and admin staff	1	1
	<u>20</u>	<u>17</u>

One employee received emoluments of between £60,001 and £70,000 in the year (2020: none).

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

10. Tangible Fixed Assets

	Office equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020	57,270	69,568	126,838
Additions in the year	9,627	662	10,289
At 31 March 2021	66,897	70,230	137,127
Depreciation			
At 1 April 2020	29,714	58,348	88,062
Charge for the year	15,876	3,673	19,549
At 31 March 2021	45,590	62,021	107,611
Net Book Value			
At 31 March 2021	21,307	8,209	29,516
At 31 March 2020	27,556	11,220	38,776

11. Debtors

	2021 £	2020 £
Grants receivable	659,059	313,996
Prepayments	52,500	-
	711,559	313,996

12. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	126,350	63,141
Accruals and deferred income	303,273	62,112
Social security and other taxes	18,288	15,516
Accruals for grants payable	356,358	73,066
	804,269	213,835

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

12. Creditors: amounts falling due within one year (continued)

Analysis of deferred income

	2021 £	2020 £
Opening balance	-	5,000
Released in the year	-	(5,000)
Deferred in the year	259,773	-
Closing balance	259,773	-

Income has been deferred on the basis that the grant relates to future periods and will be recognised when the recognition criteria are satisfied.

Analysis of accruals for grants payable

	2021 £	2020 £
Opening balance	73,066	237,719
Awarded in the year (note 8)	4,232,112	3,580,203
Grants paid in the year	(3,948,820)	(3,744,856)
Closing balance	356,358	73,066

13. Pensions

The Capital City Partnership participates in The Lothian Pension Fund Final Salary Pension Scheme (the "Scheme"). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

During the accounting period The Capital City Partnership paid contributions at the rate of 23.2%. Member contributions were paid on a sliding scale dependent upon salary level and range from 5% to 9%. The Capital City Partnership contribution rate from April 2022 is 21.8%.

As at 31 March 2020 there were 9 active (2017 – 15) and 14 deferred (2017 – 9) members of the Scheme employed. The Capital City Partnership continues to offer membership of its scheme to its employees and pensioners.

The last full valuation of the scheme was performed as at 31 March 2020 by a professional qualified actuary using the "projected unit credit" method.

Financial Assumptions

The financial assumptions underlying the valuation were as follows:

Assumptions as at 31 March	2021 %	2020 %
Pension increase	2.85	1.9
Salary increases	3.35	3.5
Discount rate	2.00	2.3

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

13. Pensions (continued)

	2021 £'000	2020 £'000
Assets (Employer)		
Equities	4,164	3,635
Bonds	675	533
Property	394	388
Cash	394	290
TOTAL	<u>5,627</u>	<u>4,846</u>

	2021 £'000	2020 £'000
Estimated employer assets (A)	5,627	4,846
Present value of scheme liabilities	<u>(6,358)</u>	<u>(5,002)</u>
Total value of liabilities (B)	<u>(6,358)</u>	<u>(5,002)</u>
Net pension (liability) (A-B)	<u>(731)</u>	<u>(156)</u>

Recognition in the Statement of Financial Activities

	2021 £'000	2020 £'000
Current service cost	195	162
Net interest cost	4	9
Past service costs	6	-
Actuarial (gain)/loss	<u>(503)</u>	<u>(278)</u>
Total	<u>(298)</u>	<u>(107)</u>

Actual return on plan assets	<u>912</u>	<u>(194)</u>
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Reconciliation of defined benefit obligation

	2021 £'000	2020 £'000
Opening defined benefit obligation	<u>5,002</u>	<u>5,401</u>
Current service costs	195	162
Interest costs	116	130
Contributions by members	38	26
Actuarial (gains)/losses	1,126	(600)
Past service costs	6	-
Benefits paid	<u>(125)</u>	<u>(117)</u>
Closing defined benefit obligation	<u>6,358</u>	<u>5,002</u>

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

13. Pensions (continued)

Reconciliation of fair value employer assets

Year ended 31 March	2021	2020
	£'000	£'000
Opening fair value of employer assets	4,846	5,053
Interest Income	112	121
Contributions by members	38	26
Contributions by the employer	133	85
Return on assets excluding interest	623	(322)
Benefits paid	(125)	(117)
Closing defined benefit asset	5,627	4,846

Movement in deficit during the year

Year to 31 March	2021	2020
	£000	£000
(Deficit) at beginning of year	(156)	(348)
Current service cost	(195)	(162)
Interest (cost)	(4)	(9)
Actuarial gain / (loss)	(503)	278
Contributions made	133	85
Past service (cost)	(6)	-
(Deficit) at end of year	(731)	(156)

Amounts for current and previous periods

Year Ended	2021	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	5,627	4,846	5,053	4,579	4,476	3,621
Present value of defined benefit obligation	(6,358)	(5,002)	(5,401)	(4,761)	(4,723)	(3,583)
Surplus/(deficit)	(731)	(156)	(348)	(182)	(247)	38
Experience gains/(losses) on assets	(54)	-	-	-	-	-
Experience gains/(losses) on liabilities	123	(28)	-	(36)	-	(30)

Amounts recognised in the Statement of Financial Activities (SOFA)

Year Ended	2021	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000
Actuarial gains/(losses) recognised in SOFA	(503)	278	(102)	133	(288)	471
Cumulative actuarial gains and losses	(530)	(74)	(352)	(250)	(383)	(95)

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

14. Financial Instruments

	2021	2020
	£	£
Financial assets held at amortised cost	2,420,594	1,656,031
Financial liabilities held at amortised cost	536,134	198,319

Financial assets held at amortised cost include cash and grants receivable.

Financial liabilities held at amortised cost include trade creditors, accruals, and accruals for grants payable and other creditors.

15. Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	Gains & losses £	At 31 March 2021 £
General reserve	624,483	532,951	(621,734)	-	-	535,700
Pension reserve	(156,000)	-	(72,000)	-	(503,000)	(731,000)
Total unrestricted funds	468,483	532,951	(695,650)	-	(503,000)	(197,217)

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	Gains & losses £	At 31 March 2020 £
General reserve	458,439	533,698	(367,654)	-	-	624,483
Pension reserve	(348,000)	-	(86,000)	-	278,000	(156,000)
Total unrestricted funds	110,439	533,698	(453,654)	-	278,000	468,483

The general reserve comprises funds utilised for core activities of the charity.

The pension reserve represents the actuarial liability of the defined benefit pension scheme as calculated by the pension scheme actuary.

16. Restricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Employability Programme	673,084	3,188,217	(3,164,147)	65,877	763,031
Integration Fund	65,877	-	-	(65,877)	-
Investing in Communities Fund	5,950	45,100	-	(51,050)	-
Edinburgh and East of Scotland City Regional Deal	(5,233)	1,155,293	(1,075,038)	-	75,022
Recruitment Skills Centres	96,299	316,110	(143,010)	-	269,399
Maximise	20,512	416,000	(453,195)	51,050	34,367
Youth Programme	-	22,500	(9,688)	-	12,812
	856,489	5,143,220	(4,845,078)	-	1,154,631

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

16. Restricted funds (continued)

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Employability Programme	661,271	3,181,269	(3,169,455)	-	673,085
Integration Fund	72,866	-	(6,989)	-	65,877
Edinburgh and East of Scotland City Regional Deal	-	346,805	(352,039)	-	(5,233)
Investing in Communities Fund	-	5,950	-	-	5,950
Recruitment Skills Centres	-	397,155	(300,856)	-	96,299
Maximise	-	393,000	(372,488)	-	20,512
	734,137	4,324,179	(4,201,827)	-	856,489

Purposes of restricted funds

Employability Programme comprises Third Party grants to employability organisations, targeted integrated employability service, youth employment and activity agreements, support to childcare hubs, parental employment support grants and partnership activity for continuing employment (PACE) grants.

Other funds managed by the company included;

Edinburgh and Southeast Scotland City Region Deal (ESESCRD) - This programme provides three key activities under the employability and skills element of the City Region Deal across six local authority regions, namely Intensive Family Services (IFS), Integrated Knowledge Systems (IKS) and Integrated Employer Engagement (IEE).

Recruitment Skills Centres - these programmes support the operation of recruitment skills centre models in two locations at Fort Kinnaird retail park and Edinburgh St James, with the aim of maximising employment and upskilling opportunities for disadvantaged communities while matching labour force supply and demand in the retail sector.

Maximise / Investing in Communities - this is a collaborative project which provides a range of employability, financial, welfare support and advice to families via schools and community hubs.

Youth programme - provides support and services to disadvantaged young people by identifying innovative and timely interventions to move young people into employment, training and life experience.

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

17. Analysis of net assets between funds

	General reserve £	Pension reserve £	Restricted funds £	Total funds 2021 £
Tangible fixed assets	29,516	-	-	29,516
Net current assets	506,184	-	1,154,631	1,660,815
Defined benefit pension scheme liability	-	(731,000)	-	(731,000)
Net assets at 31 March 2020	535,700	(731,000)	1,154,631	959,331
	General reserve £	Pension reserve £	Restricted funds £	Total funds 2020 £
Tangible fixed assets	38,776	-	-	38,776
Net current assets	585,707	-	856,489	1,442,196
Defined benefit pension scheme liability	-	(156,000)	-	(156,000)
Net assets at 31 March 2019	624,483	(156,000)	856,489	1,324,972

18. Commitments under operating leases

As at 31 March 2021 the charity had total commitments payable under operating leases as follows:

	2021 £	2020 £
Total commitment payable:		
No later than 1 year	444	551
Between 1 year and 5 years	-	228
Total commitment	444	779

19. Related party transactions

The charity has a code of conduct whereby a director of the charity must note his interest and withdraw from the discussion where the charity is considering awarding a grant to an organisation over which that director has an influence.

No transactions with related parties were undertaken such as are required to be disclosed under Section 33 of Financial Reporting Standard 102.

Key management personnel include all directors and 1 member of senior staff who together have responsibility for planning, directing and controlling the activities of the company. The total compensation in respect of key management for services provided to the company in the year, inclusive of employers national insurance contributions, was £86,796 (2020: £78,614).

No trustees expenses were reimbursed or received remuneration during the year (2020: £nil).

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2021

20. Net debt reconciliation

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank	1,342,035	411,490	1,753,525
	<u>1,342,035</u>	<u>411,490</u>	<u>1,753,525</u>