

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

**THE CAPITAL CITY PARTNERSHIP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**

**THE CAPITAL CITY PARTNERSHIP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023**

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**THE CAPITAL CITY PARTNERSHIP LIMITED
MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Directors

Donald Urquhart
Bridget Ashrowan
Stephanie Smith – resigned 6th Oct
Mandy Watt – resigned 6th Oct
George Gordon – resigned 6th Oct
Jane Meagher – appointed 6th Oct
Jack Caldwell – appointed 6th Oct
Frank Ross – appointed 6th Oct / resigned 2nd March
Simita Kumar – appointed 2nd March

Company Secretary

Rona Hunter

Registered Office

Foxglove Offices
14 Links Place
Edinburgh
Scotland
EH6 7EZ

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 2023**

The Directors have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2023.

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 on an annual basis. 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 for 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.

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

ACHIEVEMENTS AND PERFORMANCE

Over the course of the year, the company contract managed and performance monitored approximately 65 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, ramped up Rapid Response Recruitment online portal and facilitated sector based training courses to support employment supply and demand in a highly volatile economic landscape.

The key areas of focus in 2022-23 (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 workstreams 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 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 team successfully rolled out the new Management Information System and has scheduled on boarding of the six regional authorities along with an extended reach to other employability organisations. A funding model to develop and maintain the system is now in place. The IEE team supported employers through two small business and start up grants programmes, developed several targeted recruitment drives and enhanced the Community Benefits portal. The IFS team continued to contract manage services in the six LA regions and supported the Maximise project.

The Whole Family Equality project successfully established a citizens panel to support efficacy and to empower minority ethnic communities in a respectful and collaborative approach with a range of agencies to deliver meaningful strategic change.

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 8.7% (2022: 6.8%) 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 economic crisis in terms of lower job security and increased poverty however CCP has demonstrated adaptability by seeking new, innovative and responsive approaches wherever possible and continuing to provide added value to the employability landscape with significant projected leverage annually against SLA target.

The company will continue to fulfill the requirements of the Service Level Agreement with CEC including additional contract management responsibility for UK Shared Prosperity Fund of circa £3 million per annum, Parental Employment Support, Vocational Training Framework and Young Persons Guarantee activity including operational elements and grant management. The company will continue to manage the Integrated Regional Employability Skills elements of the Edinburgh and Southeast Scotland City

**THE CAPITAL CITY PARTNERSHIP LIMITED
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Regional Deal, forging strong partnerships with employability and employer engagement teams across the partner agencies and tackling poverty holistically through family focused support.

Key national and local authority data will inform the direction of travel for CCP in the coming year.

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. Funding panels 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 and risk assessments / mitigating actions have been developed to support staff since the shift to remote working. The company relocated to new serviced offices in April 2023 as a strategic cost saving measure and hybrid working arrangements are in place.

Financial controls are regularly reviewed to ensure all transactions are authorised and documented. Investment in IT is integral to all projects in order to bolster the remote working capacity of the organization including 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 £908,937 (2022 £812,244) approximates to the equivalent of 13 months operating expenditure. The Board aims to have a free reserve target of up to 12 months, which at current operating levels equates to £855,000.

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.

**THE CAPITAL CITY PARTNERSHIP LIMITED
DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

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 along with a summary of contracted services values, leverage secured and current live funding bids. 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.

Income for 2023 was £8,507,681 against prior year £7,429,172. The increase of £1,078,509 is due to additional funding streams being secured and an expansion of the CEC service level agreement to incorporate new programmes of funding for dispersal by CCP. Expenditure in 2023 was £8,366,340 which represents an increase of £1,183,081 on prior year and reflects higher level of funding dispersal under CEC SLA arrangement plus increased project activity and higher associated staffing levels.

GOING CONCERN

The Directors have prepared the financial statement on a going concern basis as a review of the budget for the 2023/24 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 2024 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 2023 of £2,431,265 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.

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 2023 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;

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DIRECTORS' ANNUAL REPORT
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- 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.

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 he/she ought to have taken as a director to make himself 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**

Donald Urquhart
DIRECTOR

Date:

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 Charitable Company's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of The Capital City Partnership Limited ("the Charitable company") for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 related 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

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

We have nothing to report in this regard.

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 prepared for the purposes of Company Law, 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 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- proper and 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 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)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the 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.

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

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

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

- 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 2023; 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 for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

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

Martin Gill (Senior Statutory Auditor)

Date:

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 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income from:					
Charitable activities		591,500	7,911,370	8,502,870	7,428,939
Other trading activities		-	-	-	-
Investments		4,811	-	4,811	235
Total	4	596,311	7,911,370	8,507,681	7,429,174
Expenditure on:					
Charitable activities		(672,619)	(7,693,721)	(8,366,340)	(7,183,259)
Total	5	(672,619)	(7,693,721)	(8,366,340)	(7,183,259)
Net income/(expenditure)	7	(76,308)	217,649	141,341	245,915
Actuarial gains/(losses) on defined benefit pension scheme	13	2,236,000	-	2,236,000	1,005,000
Net movement in funds		2,159,692	217,649	2,377,341	1,250,915
Reconciliation of funds					
Total funds brought forward		888,244	1,322,003	2,210,247	959,331
Total funds carried forward at 31 March 2023	16	3,047,936	1,539,652	4,587,588	2,210,247

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 classed 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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	17,324	19,215
Current assets			
Debtors	11	1,311,799	887,496
Cash at bank		2,296,724	1,787,884
		<u>3,608,523</u>	<u>2,675,380</u>
Liabilities			
Creditors: amounts falling due within one year	12	(1,177,258)	(560,349)
Net current assets		<u>2,431,265</u>	<u>2,115,031</u>
Net assets			
Defined benefit pension scheme asset	13	2,139,000	76,000
Total net assets		<u>4,587,589</u>	<u>2,210,246</u>
The funds of the charity:			
Restricted funds	15	1,539,652	1,322,002
Unrestricted funds:			
General reserve	14	908,937	812,244
Pension reserve	13, 14	2,139,000	76,000
Total charity funds	16	<u>4,587,589</u>	<u>2,210,246</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:

Donald Urquhart
DIRECTOR

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 2023

	2023	2022
	£	£
Net income/(expenditure) for the reporting period	141,341	245,915
Adjustments for:		
Depreciation charges	10,206	22,705
Interest receivable	(4,811)	(235)
Interest payable – pension scheme	-	16,000
Defined benefit pension scheme – FRS 102 adjustment less employer contributions	173,000	182,000
(Increase)/decrease in debtors	(424,303)	(175,937)
(Decrease)/increase in creditors	616,909	(243,920)
Net cash (used in)/provided by operating activities	512,339	46,528
Cash flows from investing activities		
Purchase of tangible fixed assets	(8,313)	(12,404)
Interest receivable	4,811	235
Net cash used in investing activities	(3,498)	(12,169)
Change in cash and cash equivalents in the year	508,840	34,359
Cash and cash equivalents at the beginning of the year	1,787,884	1,753,525
Cash and cash equivalents at the end of the year	2,296,724	1,787,884

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 2023

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 Southeast Scotland City Regional Deal funding (ESES CRD). The current SLA expires on 31 March 2024. Negotiations for further years SLA should begin in December 2023. ESES CRD is a seven year 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 ESES CRD 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 2025 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 2024, 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 2023

2. Accounting policies (continued)

(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 2023

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 2023

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 2023

4. Income

	Unrestricted £	Restricted £	Total 2023 £
Income from charitable activities (2023)			
Grants received			
- Employer engagement	30,000	-	30,000
- City of Edinburgh Council	561,500	3,208,949	3,770,449
- City Regional Deal	-	1,531,975	1,531,975
- Skills centres	-	702,250	702,250
- Joined Up For Families	-	630,431	630,431
- UK Shared Prosperity Fund	-	572,347	572,347
- Youth Programme	-	1,265,418	1,265,418
	591,500	7,911,370	8,502,870
Income from Investments			
Bank interest	4,811	-	4,811
Total income	596,311	7,911,370	8,507,681

	Unrestricted £	Restricted £	Total 2022 £
Income from charitable activities (2022)			
Grants received			
- Employer engagement	30,000	-	30,000
- City of Edinburgh Council	543,000	3,515,983	4,058,983
- City Regional Deal	-	1,713,019	1,713,019
- Scottish Government funding	-	45,100	45,100
- Skills centres	-	298,627	298,627
- Joined Up For Families	-	547,075	547,075
- Youth employment	-	736,135	736,135
	573,000	6,855,939	7,428,939
Income from Investments			
Bank interest	235	-	235
Total income	573,235	6,855,939	7,429,174

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

5. Expenditure

	Activities undertaken £	Direct grants (note 8) £	Support and governance costs (note 6) £	2023 Total £
Charitable activities (2023):				
Furthering social justice in Edinburgh	1,834,001	6,073,839	458,500	8,366,340
Total	1,834,001	6,073,839	458,500	8,366,340

	Activities undertaken £	Direct grants (note 8) £	Support and governance costs (note 6) £	2022 Total £
Charitable activities (2022):				
Furthering social justice in Edinburgh	1,431,168	5,384,520	367,571	7,183,259
Total	1,431,168	5,384,520	367,571	7,183,259

In 2023 expenditure on charitable activities was £8,366,340 (2022: £7,183,258) of which £672,619 (2022: £494,691) was expenditure from unrestricted funds and £7,693,721 (2022: £6,688,569) was expenditure from restricted funds.

6. Support and governance costs

Furthering social Justice in Edinburgh

	2023 £	2022 £
Management, IT, finance and interest	448,480	357,971
Governance costs	10,020	9,600
Total support costs	458,500	367,571

7. Net income/(expenditure)

Net income/ (expenditure) is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	10,203	22,705
Auditor's remuneration	10,020	9,600
Defined contribution pension scheme – pension costs	97,369	55,623
Operating lease:		
Rent payable	42,165	33,361

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

8. Grants payable

	2023	2022
	£	£
Grants to institutions:		
Action for Children	125,000	110,936
Action Group	-	5,000
Adoption UK	-	11,000
All Cleaned Up Scotland	71,485	52,056
Access to Industry	627,954	538,527
Apex Scotland	36,272	-
Articulate	-	40,000
AUGB	6,000	-
Barnardos	389,648	168,314
Bike Station	19,687	-
Borders Council	85,000	85,000
Broomhouse Centre	156,266	110,018
Canongate Youth Centre	60,000	120,184
Caselink (Iconi)	3,600	41,191
CHAI	34,118	309,317
Challenges Group	37,813	-
Childcare Connections	132,240	132,240
Children 1st	624,255	433,634
Circle	11,000	-
Citadel Youth Centre	117,546	127,074
City of Edinburgh Council	5,000	203,077
Codebase	19,500	-
Codeclan	43,500	-
Community Renewal	360,000	571,441
Datakirk	117,000	16,368
DNIPRO Kids	5,000	-
Dunedin Canmore Housing Association	120,000	157,844
East Lothian Council	11,250	15,000
Edible Estates	14,063	-
Edinburgh Chamber of Commerce	56,935	-
Edinburgh Cyrenians	339,620	199,636
Edinburgh Trade Unions Council	49,000	47,248
Edinburgh Womens Aid	20,000	-
Empty Kitchens Full Hearts	17,110	-
IEE ESESCRD Employer Fund	48,193	51,311

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

8. Grants payable (continued)

	2023 £	2022 £
IEE ESESCRD RSC Fund	50,816	37,825
Enable Scotland	179,889	214,024
Everyones Edinburgh	6,250	-
EVOC	22,625	-
Freshstart	11,738	-
Foursquare	75,000	-
Gingerbread (Fife)	140,000	145,000
Granton Information Centre	-	5,000
Hanlon Systems	58,100	102,000
Homestart	17,000	-
Impact Arts	70,000	104,930
Intowork	68,250	18,553
Kidzcare	86,150	89,598
LIFT	15,000	-
Linknet Mentoring	59,980	36,060
Move on	62,352	17,139
Napier University	13,972	-
NKS (Networking Key Services)	4,000	-
North Edinburgh Childcare	395,369	395,369
One Parent Families Scotland	35,000	5,000
Passion for Fusion	5,000	-
People Know How	25,000	-
Prespect	50,370	-
Princes Trust	34,180	-
Project Esperanza	6,000	-
Ripple Project	6,000	-
Rural and Urban Training Scheme	73,050	44,184
Saheliya	44,000	-
Smilechildcare	258,813	258,813
Spartans Com Football Academy	20,000	-
Stepping Stones	6,000	-
Street League	67,621	24,538
Venture Trust	40,529	-
Volunteer Centre Edinburgh	139,031	72,520
WHALE	20,000	52,500
West Lothian Council	110,000	150,000
Work Rite	-	35,000
Young Enterprise Scotland	16,200	8,500
Grants of £5,000 or less	16,500	21,551
	6,073,839	5,384,520

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

9. Staff costs and numbers

	2023	2022
	£	£
Salaries and wages	1,192,228	961,996
Social security costs	125,867	85,168
Defined benefit pension scheme costs	311,000	314,000
Defined contribution pension costs	97,369	55,623
Termination benefits- redundancy	8,062	-
	<u>1,734,526</u>	<u>1,416,787</u>

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

	2023	2022
	Number	Number
Senior executive	2	2
Project and support staff	29	24
Finance and admin staff	1	1
	<u>32</u>	<u>27</u>

One employee received emoluments of between £60,001 and £70,000 and one employee received emoluments of between £70,001 and £80,000 in the year (2022: 1 received amounts between £70,001 and £80,000).

10. Tangible Fixed Assets

	Office equipment	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2022	73,228	76,303	149,531
Additions in the year	7,339	974	8,313
At 31 March 2023	<u>80,567</u>	<u>77,277</u>	<u>157,844</u>
Depreciation			
At 1 April 2022	61,180	69,136	130,317
Charge for the year	7,778	2,426	10,204
At 31 March 2023	<u>68,958</u>	<u>71,562</u>	<u>140,519</u>
Net Book Value			
At 31 March 2023	<u>11,609</u>	<u>5,715</u>	<u>17,324</u>
At 31 March 2022	<u>12,048</u>	<u>7,167</u>	<u>19,215</u>

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

11. Debtors

	2023 £	2022 £
Grants receivable	1,311,799	887,496
Prepayments	-	-
	<u>1,311,799</u>	<u>887,496</u>

12. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	301,762	40,622
Accruals and deferred income	229,482	150,301
Social security and other taxes	33,316	27,664
Accruals for grants payable	612,698	341,762
	<u>1,177,258</u>	<u>560,349</u>

Analysis of deferred income

	2023 £	2022 £
Opening balance	120,728	259,773
Released in the year	(120,728)	(259,773)
Deferred in the year	190,473	120,728
Closing balance	<u>190,473</u>	<u>120,728</u>

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

	2023 £	2022 £
Opening balance	341,762	356,358
Awarded in the year (note 8)	6,073,839	5,384,520
Grants paid in the year	(5,802,903)	(5,399,116)
Closing balance	<u>612,698</u>	<u>341,762</u>

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 20.3%. 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 2023 is 18.8%.

As at 31 March 2023 there were 14 active (2022 – 9) and 14 deferred (2022 – 14) members of the Scheme employed. The Capital City Partnership continues to offer membership of its scheme to its employees and pensioners.

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

13. Pensions (continued)

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	2023 %	2022 %
Pension increase	2.95	3.20
Salary increases	3.45	3.70
Discount rate	4.75	2.70
Assets (Employer)	2023 £'000	2022 £'000
Equities	4,672	4,487
Bonds	973	822
Property	519	379
Cash	324	632
TOTAL	6,489	6,320
	2023 £'000	2022 £'000
Estimated employer assets (A)	6,489	6,320
Present value of scheme liabilities	(4,350)	(6,244)
Total value of liabilities (B)	(4,350)	(6,244)
Net pension (liability) (A-B)	2,139	76

Recognition in the Statement of Financial Activities

	2023 £'000	2022 £'000
Current service cost	311	314
Contributions	(138)	(132)
Net interest cost	-	16
Past service costs	-	-
Actuarial (gain)/loss	(2,236)	(1,005)
Total	(2,063)	(807)
Actual return on plan assets	143	708

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

13. Pensions (continued)

Reconciliation of defined benefit obligation

	2023	2022
	£'000	£'000
Opening defined benefit obligation	6,244	6,358
Current service costs	311	314
Interest costs	171	129
Contributions by members	48	41
Actuarial (gains)/losses	(2,269)	(481)
Past service costs	-	-
Benefits paid	(155)	(117)
Closing defined benefit obligation	4350	6,244

Reconciliation of fair value employer assets

	2023	2022
	£'000	£'000
Year ended 31 March		
Opening fair value of employer assets	6,320	5,627
Interest Income	171	113
Contributions by members	48	41
Contributions by the employer	138	132
Return on assets excluding interest	(33)	524
Benefits paid	(155)	(117)
Closing defined benefit asset	6,489	6,320

Movement in asset during the year

	2023	2022
	£000	£000
Year to 31 March		
(Deficit)/Asset at beginning of year	76	(731)
Current service cost	(311)	(314)
Interest (cost)	-	(16)
Actuarial gain / (loss)	2,236	1,005
Contributions made	138	132
Past service (cost)	-	-
Asset at end of year	2,139	76

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

13. Pensions (continued)

Amounts for current and previous periods

Year Ended	2023	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	6,489	6,320	5,627	4,846	5,053	4,579
Present value of defined benefit obligation	(4,350)	(6,244)	(6,358)	(5,002)	(5,401)	(4,761)
Surplus/(deficit)	2,139	76	(731)	(156)	(348)	(182)
Experience gains/(losses) on assets	-	-	(54)	-	-	-
Experience gains/(losses) on liabilities	-	13	123	(28)	-	(36)

Amounts recognised in the Statement of Financial Activities (SOFA)

Year Ended	2023	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Actuarial gains/(losses) recognised in SOFA	2,236	1,005	(503)	278	(102)	133
Cumulative actuarial gains and losses	2,664	428	(577)	(74)	(352)	(250)

14. Unrestricted funds

	At 1 April 2022	Income	Expenditure	Transfers	Gains & losses	At 31 March 2023
	£	£	£	£	£	£
General reserve	812,244	596,311	(499,619)	-	-	908,937
Pension reserve	76,000	-	(173,000)	-	2,236,000	2,139,000
Total unrestricted funds	888,244	596,311	(672,619)	-	2,236,000	3,047,936

	At 1 April 2021	Income	Expenditure	Transfers	Gains & losses	At 31 March 2022
	£	£	£	£	£	£
General reserve	535,700	573,235	(296,691)	-	-	812,244
Pension reserve	(731,000)	-	(198,000)	-	1,005,000	76,000
Total unrestricted funds	(193,300)	573,235	(494,691)	-	1,005,000	888,244

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

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

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

15. Restricted funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Employability Programme	693,024	3,208,948	(3,289,416)	-	612,556
Edinburgh and East of Scotland City Regional Deal	79,595	1,531,975	(1,502,171)	-	109,400
Recruitment Skills Centres	371,801	702,250	(454,807)	-	619,244
Joined Up For Families	125,812	630,431	(600,319)	-	155,924
Youth Programme	51,770	1,265,418	(1,282,510)	-	34,677
UK Shared Prosperity Fund	-	572,347	(564,497)	-	7,850
	1,322,003	7,911,370	(7,693,721)	-	1,539,652

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Employability Programme	763,031	3,515,982	(3,581,637)	(4,352)	693,024
Edinburgh and East of Scotland City Regional Deal	75,022	1,713,018	(1,708,445)	-	79,595
Recruitment Skills Centres	269,399	298,627	(196,225)	-	371,801
Joined Up For Families	34,367	592,177	(500,732)	-	125,812
Youth Programme	12,812	736,135	(701,529)	4,352	51,770
	1,154,631	6,855,939	(6,688,568)	-	1,322,002

Purposes of restricted funds

Employability Programme comprises grants to employability organisations, targeted integrated employability service, activity agreements, support to childcare hubs, parental employment support grants and a wider range of employability support.

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 targeted sectors.

Joined Up for Families - this is a collaborative activity which support 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 2023

16. Analysis of net assets between funds

	General reserve £	Pension reserve £	Restricted funds £	Total funds 2023 £
Tangible fixed assets	17,324	-	-	17,324
Net current assets	891,613	-	1,539,652	2,431,265
Defined benefit pension scheme asset	-	2,139,000	-	2,139,000
Net assets at 31 March 2023	908,937	2,139,000	1,539,652	4,587,589

	General reserve £	Pension reserve £	Restricted funds £	Total funds 2022 £
Tangible fixed assets	19,215	-	-	19,215
Net current assets	793,029	-	1,322,002	2,115,031
Defined benefit pension scheme asset	-	76,000	-	76,000
Net assets at 31 March 2022	812,244	76,000	1,322,002	2,210,246

17. Commitments under operating leases

As at 31 March 2023 the charity had total commitments payable under operating leases as follows:

	2023 £	2022 £
Total commitment payable:		
No later than 1 year	18,696	1,841
Between 1 year and 5 years	-	-
Total commitment	18,696	1,841

18. 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 2 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 £186,926 (2022: £100,421).

No directors' expenses were reimbursed or received remuneration during the year (2022: £nil).

THE CAPITAL CITY PARTNERSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2023

19. Net debt reconciliation

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank	1,787,884	508,841	2,296,724
	<hr/> 1,787,884	<hr/> 508,841	<hr/> 2,296,724 <hr/>