

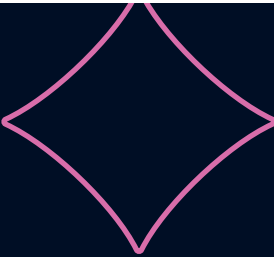


capella

Annual Report

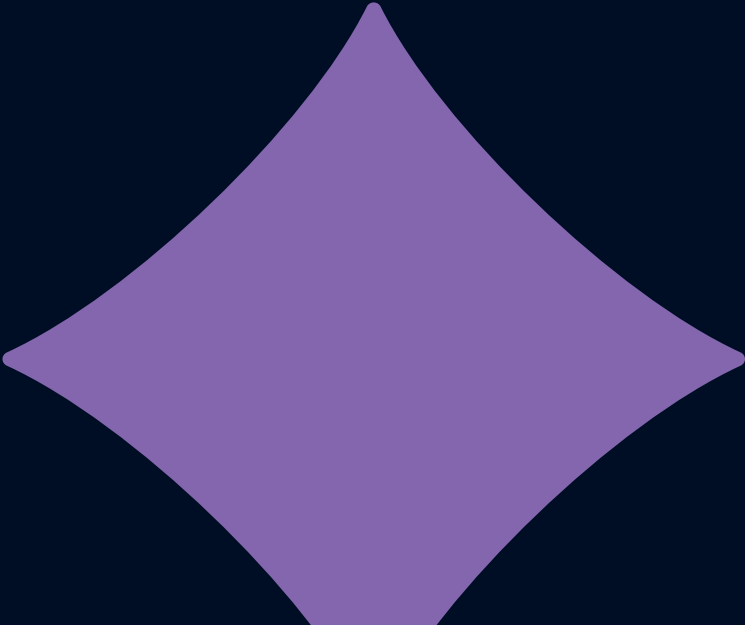
and Financial Statements

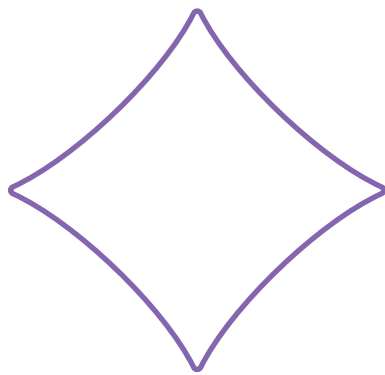
2021-2022



capella 

*formerly **Sleep Scotland***





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CAPELLA CHARITY

(FORMERLY SLEEP SCOTLAND)

Annual Report and Financial Statements
for the Year Ended 31 March 2022

Charity registration number SC027560 (Scotland)

Company registration number SC182935 (Scotland)



Trustees' Report

The Trustees present their Report, together with the accounts for the year ended 31st March 2022. The Board have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) 2019 in preparing the annual report and financial statements of the charity.

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

Objectives and activities

Our year

This year has not been without its challenges as Covid continued to disrupt daily life. The impact of more lockdowns and then ongoing restrictions have challenged the charity, but we responded swiftly to ensure we delivered our best for the people we support.

During the pandemic, demand for our services increased and this has remained high ever since. Our organisation responded by innovating and taking brave decisions. By doing so, we are one of the few charities to be able to meet the demand for our services in social care and training, which has helped the charity improve its financial sustainability.

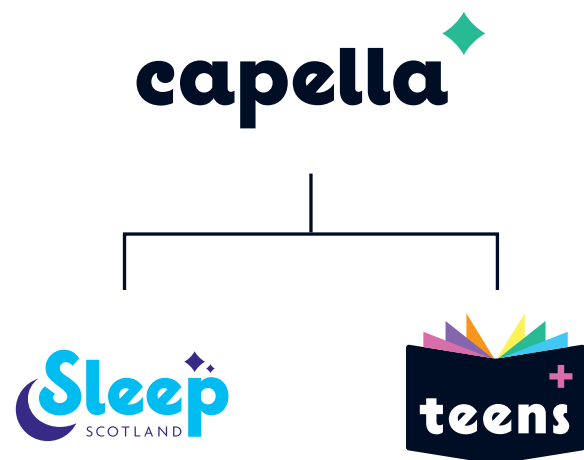
Our response to the pandemic, supported by our amazing and resilient staff, has put us in a strong position as we move forward. We are feeling optimistic and excited about our future and our ability to grow and support even more people to thrive.

Introducing Capella

We are proud to announce that we have changed our charity name from Sleep Scotland to Capella. Those who work with Sleep Scotland know and value our name. However, we found that it was confusing to have our other charitable activity, Teens+, underneath the registered charity name of Sleep Scotland. At our core, Sleep Scotland and Teens+ share the values of person-centred support, working with people for as long as they need us with empathy and integrity. Therefore, we decided to change the charity name, and keep Sleep Scotland and Teens+ as our charitable services under our new registration.

Capella is one of the brightest stars in the sky and has been used for hundreds of years for navigation. The name suits our charity because we are with people on their journey, for as long as they need us, helping them get to where they want to be.

The Office for the Charity Regulator in Scotland gave approval for the charity to change its name to Capella Charity on 21st March 2022. Companies House approved our change of name on 20th May 2022 and OSCR updated our entry on the Charity Register on 7th August 2022.



Objectives and activities *continued***Strategy 2025: Change for Good**

We believe in lasting change through learning, because everyone deserves to thrive. Our ambitious new strategy, Change for Good, sets our vision for a thriving charity that delivers our purpose; to realise the potential of children and adults in need.

The aim of our strategy is to grow in order to reach and support more people and become more sustainable. Our values are very important to us and everyone at Capella represents our values, to help people thrive.

**Tailored**

We always put people at the centre of our work.

**Humour**

Great things can be achieved when we are happy and have fun.

**Resilient**

Flexibility, confidence, and creativity turn challenges into opportunities.

**Integrity**

Passion and professionalism are vital for all involved in our organisation.

**Value**

Everybody deserves respect and we are enriched through our differences.

**Empathy**

Compassion and care are in everything we do.

Sleep Scotland

Thriving through healthy sleep



We are the leading provider of sleep support, training and resources in the UK. We work with professionals, families and employers to promote healthy sleep for everyone. This year we are proud to have continued to help achieve our aim and help many more people have healthy sleep.

Supporting children, young people and their families to have healthy sleep

This year, we have supported 579 families through our Sleep Support Line. During the pandemic, demand for our Sleep Support Line rose by 56% and, although we increased our support to families by 25%, this increased demand means that our waiting list for help has reached over 4 months. To reduce waiting times, we introduced more online self-help tools for families to use while they wait. We also introduced an innovative new online booking platform, which reduced appointment no-shows by 40%.

80.6% of the families we supported said that there was an improvement in their child's sleep and 84% of families said their day to day life had improved. With healthier sleep, we can expect that those we support will have improved mental health, increased educational attainment and healthier lifestyles. At a time when the NHS is under such pressure, we are proud that we play a part in reducing the pressure on our overstretched health service.

For more information about our service, we produced this case study [youtube.com/watch?v=NslL5UCv1b8](https://www.youtube.com/watch?v=NslL5UCv1b8) and here are some of what our families said this year:

“Close to a year of sleep problems for my 7-year-old fixed within two weeks of following your advice.”

“Great to have this service with knowledgeable and compassionate people free of charge, over-the-phone and therefore accessible.”

Providing high quality training to support healthy sleep for everyone

During the pandemic we moved our training completely online, which has helped the charity extend our reach to more geographically distant professionals.

38 Training courses delivered

608 People trained in healthy sleep

1,276 Sleep Scotland trained Sleep Counsellors

This year we delivered 41% more training courses than last year, which contributed to the positive financial performance of the charity. We increased delivery of our flagship Sleep Counsellor Training to meet demand in this highly specialist course and provided 252 of our professionals with CPD, including workshops on FASD and a refreshers course.

Increasingly over the past couple of years we have been approached by professionals and individuals seeking help for adult sleep. This year we are excited to have begun to develop training for adult sleep. We launched our new online, self-led Good Sleep for Adults course. We also launched our Sleep for Wellbeing course, designed to support employers and their employees to have healthy sleep.

100% of our delegates are satisfied with our courses and 89% of professionals feel more confident in providing support to children and young people. By increasing the number of trained professionals with knowledge of sleep, we believe that the people they support will benefit in increased positive outcomes such as improved mental and physical health.

Using the latest scientific understanding to promote healthy sleep in new knowledge spheres

As sleep experts, we see so many ways our expertise can help in many different areas. This year, we were excited to work with the Scottish Prison Service to develop new training to increase understanding for custodial staff to support prisoners in healthy sleep. This programme recognises the trauma often associated with people on remand and trains staff to improve sleep, ensuring that prisoners are more prepared to engage with other support on offer aimed at breaking the cycle of offending.

We also contributed to the Scottish Government and NHS24's new mental health strategy Mind to Mind (nhsinform.scot/mindtomind) and have been working on the issue of sleep and the link with dementia. We are in the early stages of this work but are excited about the possibilities to improve the lives of many more people.





Teens+ Helping people with additional support needs to thrive

When a disabled child turns 18 they are forced to transfer to adult support services, which often pulls the supportive rug out from under their feet and that of their families. That is where Teens+ comes in. We are there for as long as we are needed and we help make stepping into adulthood just that little bit easier for disabled young people and their families.

Providing transitional education opportunities for young adults to build confidence, life skills and employment experience

This year our service has supported 47 students across our two centres in Edinburgh. During the pandemic, many providers have struggled to offer support as a result of restrictions. This year we expanded our centre space, utilising our empty Sleep Scotland offices, which helped us increase our service provision to our students, despite strict social distancing measures.

94% of our staff are proud to work for our organisation

98% of staff think our organisation takes positive action on wellbeing

98% of our staff feel they make a difference to our service users

We have invested heavily in supporting our frontline workers, ensuring they have adequate training and support to deliver our high-quality service. As a result of our investment, turnover fell from 10% last year to 1% this year. While many providers in the area are still struggling to recruit and retain staff, we have been operating at 100% for the majority of this year.

Being able to welcome new students, many of whom had received very little support during the pandemic, has been a fantastic achievement given national restrictions. Alongside our growth, we have been able to develop our tailored support such as recruiting dedicated speech and language therapists and undertaking occupational therapy assessments for each student.

Throughout all of this, we have had fun during the year with music classes, working in the community and even walking alpacas.

Our tailored educational support helps students improve communication and social skills; increases life opportunities and improves mental health. As a result, our students gain greater independence, build resilience and have increased positive destinations.

Here are some of the comments from our families this year:

“ I don't worry when they are at Teens+ as I have confidence in your ability to cope”

“ My young person seems very happy so that lets us know things are right for her. All the staff are very friendly and I can tell they are tuned in to her, through the things they say and do.”

Provide a high-quality Friends+ service to support students and their families 24/7

We were excited to relaunch our befriending services, under a new name, Friends+. This service aims to help our students to have a life that is fun, through access to reliable support tailored to their individual interests and needs.

Friends+ had previously suffered due to national restrictions and so this year we have focused on restarting and repositioning. This year we have supported 17 students and are seeing an increase in requests from families who do not currently access Teens+.

Our Friends+ service provides vital evening and weekend opportunities increasing social opportunities for our young people and giving families support 24/7.

Financial review

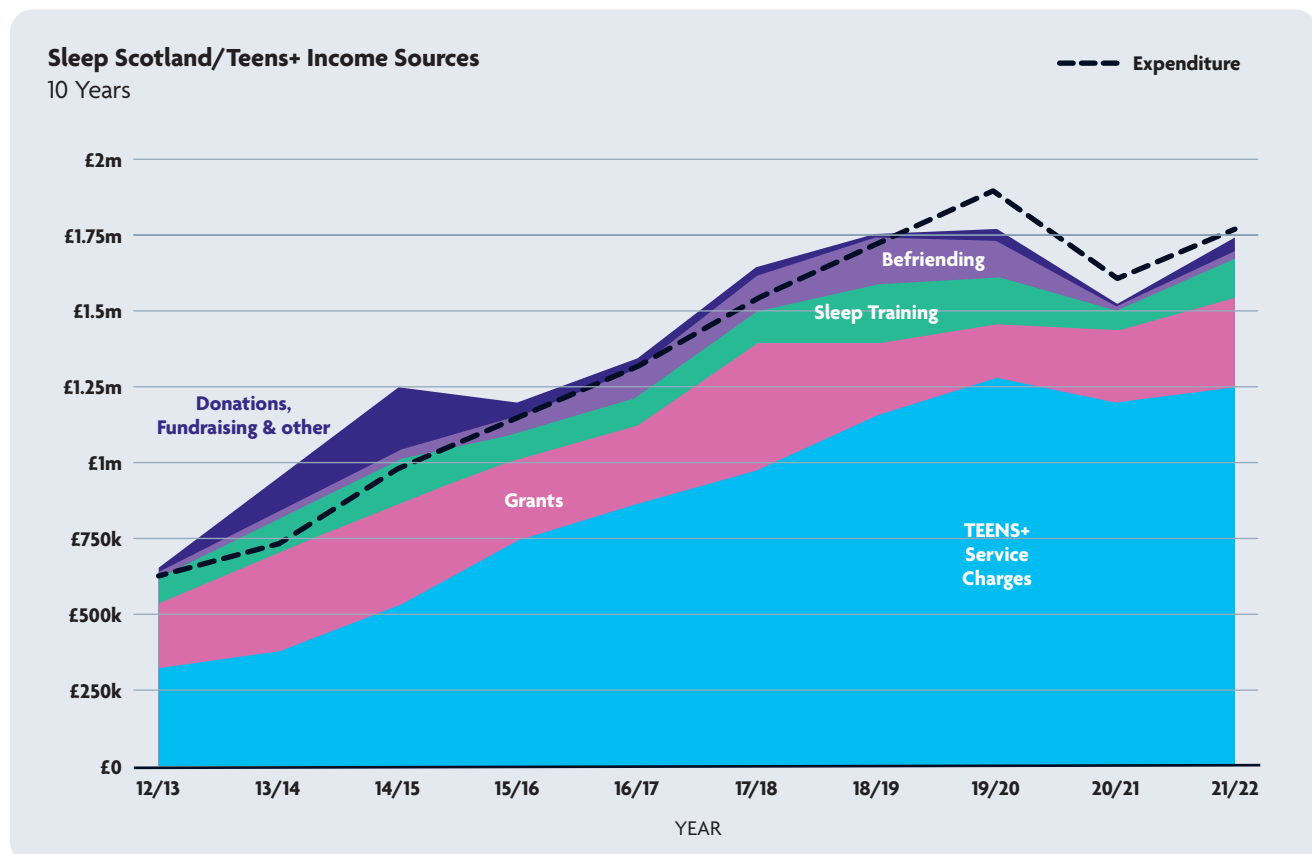
This financial year has continued to present many challenges for the charity with ongoing disruption to our operations on a number of fronts. We are proud in the way we have responded, growing to meet demand and challenging ourselves to do things differently. As a result of our actions, the charity returned a surplus of £25,174.

Sleep Scotland training performed exceptionally well this year, growing our income by 165% from last year and returning a surplus of £52,555. A main factor in this growth has been our ability to offer all of our courses online, opening up geographical areas that were previously not able to access in person training due to travel costs. The Sleep Scotland reputation for providing high-quality and practical training has also ensured we continue to exceed our targets for commissioned courses.

We had initially planned to increase our Teens+ student numbers to 44 full-time equivalents by the end of the financial year, however we ended the year with 37 students, which had a negative impact on our turnover. Although our expenditure was lower as a result, we ended the year with a deficit of £31,061 for this service.

This year, our total grant income was £268,382 which has helped the charity to support more people. We were delighted to be awarded a three-year grant from The Robertson Trust for £102,000 to support our Sleep Support Line and £23,639 from the Scottish Government Assisted Communication Section 10 Grant Funding. We received £59,878 Adapt and Thrive funding, which helped the charity make a number of changes as part of our Covid recovery plan. Our Scottish Government and Local Authority funding remained in place, but was frozen at 2019/20 levels for a second year running, putting pressure on the charity as cost of living continues to rise.

Income and expenditure for the charity has recovered from the impact of Covid and has returned to pre-pandemic levels. We anticipate our turnover will continue to grow in line with our ambitious new strategic plan.





Principal Funding Sources

Around 80% of funding is generated through charging for our TEENS+, Friends+ and Sleep Training services. The balance is made up from grants from the Scottish Government, Local Authorities, the Big Lottery and other Trusts.

Funding for TEENS+ is received from Councils and individual users, who are supported by the Department of Health & Social Care, SDS & ILF.

Financial impact of any pension liability

Capella operates a defined contribution scheme for its employees with NOW Pensions.

Social, environmental or ethical policies

The charity is currently working on a formal policy governing these issues.

Reserves policy

The Board have adopted a policy whereby the unrestricted funds and funds restricted for use in core activity areas should be sufficient to cover any short-term fluctuations in core grant funding. Such funds are currently held in a current account with any surplus available to be invested in short-term deposits.

Ability to operate in future periods

There are currently no concerns about the charity's ability to operate in future periods but the current risks and uncertainties are noted in the section below.

Investment policy

Capella does not have a formal investment policy but the Board are considering investment options available to the charity whilst balancing the requirement for liquid funds in a challenging financial environment. Funds are held in current accounts or short-term deposit accounts.

Cyber security

Capella reviewed its cyber security this year and has invested in new protection such as encrypting devices and two factor authentications. The charity has ongoing support in place to keep our cyber security up to date. We plan to achieve Cyber Essentials Certification in the next year.

Principal risks and uncertainties

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees recognise their responsibility for the management of risk throughout the organisation and have established a set of policies and procedures to cover all key areas. The management of specific risk areas has been delegated to senior staff on an ongoing basis. Overview monitoring is carried out at Board level. The principal risks and uncertainties for the charity are currently:

Risk	Management
Local or national restrictions due to pandemic resulting in significant impact on operations	<p>We continue to feel the after effects of the pandemic such as increased PPE costs and working predominantly online for our sleep services. Our principal risk mitigations are:</p> <ol style="list-style-type: none"> 1. Business interruption plans are in place and reviewed regularly to ensure these are fit for potential future shocks. 2. We have multiple online systems that are supported by robust cyber security measures to ensure we can continue to work online as required. 3. Support services are prioritised to protect critical provision should the charity experience a Covid outbreak within its service.
Inability to recruit and retain adequately skilled staff resulting in poor service provision causing loss of income and reputational damage	<p>This year we have focused a lot of attention on this area, as evidenced by our staff turnover reducing considerably. There are a number of measures in place:</p> <ol style="list-style-type: none"> 1. New recruitment and induction processes are in place. 2. We have a new competency framework and strong culture and values throughout the team. 3. We have become a certified Living Wage employer this year. 4. Leadership and management training is in place for all management roles. 5. There is a package of benefits in place for all staff.
Dependency on income sources resulting in unacceptable vulnerability to withdrawal of funding, causing charity to fail	<p>We have made some headway in diversifying our income streams in this past year, but this remains a principal risk for us. We have:</p> <ol style="list-style-type: none"> 1. Income diversification plan in place. 2. Reserves policy in place. 3. Excellent relationships with all of our funders.
Compliance with legislation and regulations appropriate to the activities, size and structure of the charity	<p>We actively manage and regularly review all of our compliance requirements to ensure we remain fully compliant at all times. We are overdue for an inspection from the Care Commission, which has been delayed due to the pandemic.</p> <ol style="list-style-type: none"> 1. Key responsibilities are outlined in Senior Management role descriptions. 2. Compliance is a standing item on weekly SMT meetings and quarterly board meetings. 3. We undertake mock inspections annually. 4. We train all of our staff in their compliance responsibilities.



Structure, governance and management

Legal structure and governance

We are a charitable company limited by guarantee and provide for a limitation to member liability to £1. Our charitable purpose is to realise the potential of children and adults in need, principally those with complex needs.

We are registered under the name Capella and also use the names Sleep Scotland, Sleep United Kingdom and Teens+ for our different charitable services. Our Articles of Association were last amended on 2 December 2021 and require review every five years.

The Board of Trustees is responsible for the governance and strategy of Capella. The Board is made up of 12 Trustees, comprising a mix of service users and other Trustees with key skills that support the purpose and strategy of the charity. Trustees receive no remuneration. Reasonable attendance expenses and other duties may be claimed.

The Finance Committee is a sub-group of the Board which is chaired by the Treasurer. The Finance Committee is responsible for reviewing and recommending budgets and management accounts along with advising the board on the scope and adequacy of audit arrangements and any financial policy.

The Board meets on a quarterly basis and delegates the day to day responsibility for the running of Capella to the Chief Executive Officer.

Trustee recruitment, induction and training

In accordance with the Articles of Association, Trustees are appointed for a term of three years and may offer themselves for re-appointment for a second term. The charity undertakes an annual skills audit and uses this information for board development and succession planning. The Trustee Appointments Committee is responsible for the recruitment and recommendation of new Trustees.

A mandatory induction programme is in place for new trustees including legal duties of trustees and directors; information security and equality and diversity. Training opportunities are made available throughout the year and we undertake a board performance review each year.

Benchmarking and setting remuneration of key employees

All roles were benchmarked against similar roles in the relevant sectors and salary scales adjusted with effect from April 2018.

Related parties

Three trustees are parents of students attending TEENS+: TC Campbell, A Taylor & A McLaughlin.

Trustee Richard Stark is Head of Business Development at Law at Work who were contracted to supply employment law advice to Capella (formerly Sleep Scotland) until 19 May 2021, when we moved to an alternative supplier.

Reference and Administrative Information

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

Trustees

Paul Bott (Chair)	
Suzanne Daly (Vice Chair)	Vice Chair from 2 December 2021
Stuart Lee (Treasurer)	Appointed 28 September 2021
Kirsty Low	Resigned 28 September 2021
Alan Taylor	Resigned 9 August 2022
Richard Stark	
Thomas Campbell	
Lisa Otty	
Robbie Young	Appointed 28 September 2021
Julia White	Appointed 2 December 2021
Alison McLaughlin	Appointed 4 May 2022
Maria Gardani	Appointed 4 May 2022

Senior Staff

G Burden	CEO
S Pearce-Madge	TEENS+ Head of Service (Appointed August 2021)
E Jamieson	TEENS+ Centre Manager (Resigned August 2021)
A O'Brien	Sleep Services Manager
G Tait	Finance Manager
Z Beak	HR Manager
H Smith	Office Manager

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



Statement of Trustees' Responsibilities

Statement of trustees' responsibility

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

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

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the

Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) 2006 Regulations (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

Disclosure of information to auditor

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

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

G Burden
CEO

Dated: 4 October 2022





Independent auditor's report

Opinion

We have audited the financial statements of Capella Charity (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Independent Auditor's Report *continued*

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alan Mitchell (Senior Statutory Auditor)

For and on behalf of Thomson Cooper, Statutory Auditors
Dunfermline

Dated: 10 October 2022

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

Statement of Financial Activities Including Income and Expenditure Account for the Year Ended 31 March 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted funds 2021 £
Income from:							
Donations and legacies	3	321	8,763	9,084	243	5,440	5,683
Charitable activities	5	189,572	1,560,258	1,749,830	74,002	1,414,473	1,488,475
Other trading activities	4	1,572	14,075	15,647	32,381	477	32,858
Investments	6	22	-	22	253	-	253
Total income		191,487	1,583,096	1,774,583	106,879	1,420,390	1,527,269
Expenditure on:							
Raising funds	7	14,560	-	14,560	15,938	-	15,938
Charitable activities	8	119,824	1,615,025	1,734,849	146,957	1,452,634	1,599,591
Total resources expended		134,384	1,615,025	1,749,409	162,895	1,452,634	1,615,529
Net income/(expenditure) for the year							
Net movement in funds		57,103	(31,929)	25,174	(56,016)	(32,244)	(88,260)
Fund balances at 1 April 2021		335,723	357,966	693,689	391,739	390,210	781,949
Fund balances at 31 March 2022		392,826	326,037	718,863	335,723	357,966	693,689

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

All income and expenditure derive from continuing activities.

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



Balance sheet

As at 31 march 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		132,801		156,520
Current assets					
Debtors	13	316,685		138,527	
Cash at bank and in hand		511,119		544,385	
		827,804		682,912	
Creditors: amounts falling due within one year					
	14	(241,742)		(145,743)	
Net current assets			586,062		537,169
Total assets less current liabilities			718,863		693,689
Income funds					
Restricted funds	15		326,037		357,966
Unrestricted funds			392,826		335,723
			718,863		693,689

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

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

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

The financial statements were approved by the Trustees on 4 October 2022

P Bott
Trustee

Company Registration No. SC182935



Statement of cash flows

for the year ended 31 march 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	19		(33,288)		(47,706)
Investing activities					
Purchase of tangible fixed assets		-		(12,034)	
Interest received		22		253	
Net cash generated from/(used in) investing activities			22		(11,781)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(33,266)		(59,487)
Cash and cash equivalents at beginning of year			544,385		603,872
Cash and cash equivalents at end of year			511,119		544,385



Notes to the financial statements

For the year ended 31 march 2022

1. Accounting policies

Charity information

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

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

1.1. Accounting convention

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

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

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

1.2. Going concern

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

1.3. Charitable funds

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

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

1.4. Incoming resources

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

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

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

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

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

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



1.5. Donated Services

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

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

1.6. Resources expended

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

Cost of raising funds comprises the costs of the general fundraising activities of the charity, and their associated support costs.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including the costs of delivering various project objectives, and their associated support costs.

Other expenditure comprises costs not falling into any other heading.

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

1.7. Allocation of support costs

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

1.8. Operating leases

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

1.9. Tangible fixed assets

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

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

1.10. Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered.

Prepayments are valued at the amount prepaid net of any discounts due.

1.11. Cash at bank and in hand

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

1.12. Creditors and provisions

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

1.13. Financial instruments

The charity only has financial assets and financial instruments. Basic financial instruments are initially measured at their settlement value.

1.14. Pensions

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



1.15. Taxation

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

1.16. Employee benefits

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

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

1.17. Retirement benefits

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

2. Critical accounting estimates and judgements

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

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

3. Donations and legacies

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£
Donations and gifts	321	8,763	9,084	243	5,440	5,683

4. Other trading activities

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£
Sundry income	1,572	14,075	15,647	1,103	477	1,580
CJRS income	-	-	-	31,278	-	31,278
Other trading activities	1,572	14,075	15,647	32,381	477	32,858



5. Charitable activities

	2022	2021
	£	£
Grants and awards receivable	293,320	233,077
TEENS+ Service charges	1,266,938	1,201,396
Training course fees	162,703	44,310
Befriending income	26,869	9,692
	1,749,830	1,488,475
Analysis by fund		
Unrestricted funds	189,572	74,002
Restricted funds	1,560,258	1,414,473
	1,749,830	1,488,475
Grants and Awards Receivable		
LA South Lanarkshire	-	5,000
LA East Dumbartonshire	6,322	6,673
LA Edinburgh	17,137	14,661
Scottish Executive (Unified Fund)	85,000	85,000
Scottish Government	122,732	40,237
The Big Lottery	-	85,830
Trans Ed Grants & Donations	8,477	-
Robertson Trust	34,000	-
Other grants and awards	19,652	(4,324)
	293,320	233,077

6. Investments

	Unrestricted funds 2022	Unrestricted funds 2021
	£	£
Bank interest	22	253

7. Raising funds

	Unrestricted funds 2022	Unrestricted funds 2021
	£	£
Fundraising and publicity		
Other fundraising costs	14,560	15,938
	14,560	15,938

8. Charitable activities

	Sleep Counselling & Support 2022	Respite & TEENS 2022	Training 2022	Total 2022	Sleep Counselling & Support 2021	Respite & TEENS 2021	Training 2021	Total 2021
	£	£	£	£	£	£	£	£
Salary costs	118,269	979,220	54,645	1,152,134	154,601	963,619	36,855	1,155,075
Depreciation and impairment	930	21,279	-	22,209	-	21,025	-	21,025
Recruitment, training & travel	1,535	29,503	25	31,063	1,061	7,232	25	8,318
Rent, rates & insurance	-	74,546	-	74,546	-	64,372	-	64,372
Utilities	-	17,530	-	17,530	-	10,020	-	10,020
Other premises costs	-	57,491	-	57,491	-	44,930	-	44,930
Office printing & stationery	3,158	10,713	7,041	20,912	9,192	15,915	2,894	28,001
Activities, transport & catering	-	15,438	-	15,438	-	10,970	-	10,970
Cost of training events	-	-	19,670	19,670	813	-	8,845	9,658
Professional fees	-	21,532	-	21,532	-	-	-	-
Marketing & conferences	-	-	13,857	13,857	-	-	-	-
	123,892	1,227,252	95,238	1,446,382	165,667	1,138,083	48,619	1,352,369
Share of support costs (see note 9)	19,263	215,140	20,213	254,616	43,381	147,541	26,036	216,958
Share of governance costs (see note 9)	2,561	28,603	2,687	33,851	8,353	18,521	3,390	30,264
	145,716	1,470,995	118,138	1,734,849	217,401	1,304,145	78,045	1,599,591
Analysis by fund	-	7,612	112,211	119,823	-	68,912	78,045	146,957
Unrestricted funds	145,716	1,463,383	5,927	1,615,026	217,401	1,235,233	-	1,452,634
	145,716	1,470,995	118,138	1,734,849	217,401	1,304,145	78,045	1,599,591

9. Support costs

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

			Unrestricted funds 2022			Unrestricted funds 2021
			£			£
Staff costs	184,236	24,494	208,730	143,822	19,121	162,943
Depreciation	1,333	177	1,510	2,208	294	2,502
Audit fees	5,251	698	5,949	5,677	755	6,432
Other administrative overheads	63,796	8,482	72,278	65,251	10,094	75,345
	254,616	33,851	288,467	216,958	30,264	247,222

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

10. Trustees

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

11. Employees

Number of employees

The average monthly number of employees during the year was:

Number of employees	2022 Number	2021 Number
Direct charitable activity	76	87
Support staff	12	12
	88	99

Employment costs	2022 Number	2021 Number
Wages and salaries	1,254,651	1,217,458
Social security costs	85,594	79,848
Other pension costs	20,619	20,712
	1,360,864	1,318,018

The total amount of employee benefits received by key management personnel of the charity is £247,286 (2021: £197,382). The charity considers its key management personnel comprise the Chief Executive Officer, Deputy Chief Executive Officer, Sleep Services Manager, TEENS Manager, Befriending Manager, HR Manager, Finance Manager and Office Manager.

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

	2022 Number	2021 Number
	1	-
	1	-

12. Tangible fixed assets

Cost	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
At 1 April 2021	387,698	74,568	462,266
At 31 March 2022	387,698	74,568	462,266
Depreciation and impairment			
At 1 April 2021	249,851	55,895	305,746
Depreciation charged in the year	17,231	6,488	23,719
At 31 March 2022	267,082	62,383	329,465
Carrying amount			
At 31 March 2022	120,616	12,185	132,801
At 31 March 2021	137,847	18,673	156,520

13. Debtors

Amounts falling due within one year:

	2022 £	2021 £
Trade debtors	147,445	9,178
Other debtors and prepayments	169,240	129,349
	316,685	138,527



14. Creditors

Amounts falling due within one year:

	2022 £	2021 £
Other taxation and social security	22,677	18,776
Trade creditors	43,663	33,805
Other creditors	11,946	7,628
Accruals and deferred income	163,456	85,534
	241,742	145,743

15. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Sleep	118,638	217,401	(217,401)	118,638	174,167	(175,937)	116,868
TEENS+	167,670	1,202,990	(1,223,689)	146,971	1,408,929	(1,427,543)	128,357
Ravenscroft	103,902	-	(11,545)	92,357	-	(11,545)	80,812
	390,210	1,420,391	(1,452,635)	357,966	1,583,096	(1,615,025)	326,037

Purposes of Restricted Funds

Sleep Counselling and Support	Amounts represent funding received for Sleep Counselling.
TEENS+	Amounts represent funding received for the TEENS+ education project.
Ravenscroft	Amounts represent funding received from third parties towards the development of Ravenscroft Hall.

16. Analysis of net assets between funds

Fund balances at 31 March 2022 are represented by:	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022	Unrestricted Funds 2021	Restricted Funds 2021	Total 2021
	£	£	£	£	£	£
Tangible assets	51,988	80,813	132,801	64,163	92,357	156,520
Current assets/(liabilities)	340,838	245,224	586,062	271,560	265,609	537,169
	392,826	326,037	718,863	335,723	357,966	693,689

17. Operating lease commitments

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

	2022 £	2021 £
Within one year	79,480	54,880
Between two and five years	317,920	219,520
In over five years	356,999	411,789
	754,399	686,189



18. Related party transactions

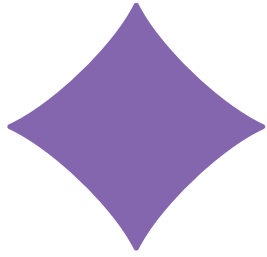
The charity has provided services to two close family members of Colin Campbell during the year. These services have a value of £91,583 (2021: £88,011) and have been charged to Colin at arms length. At the balance sheet date, the amount of £176 (2021: £nil) was outstanding in relation to the services provided. This is included within trade debtors in the accounts.

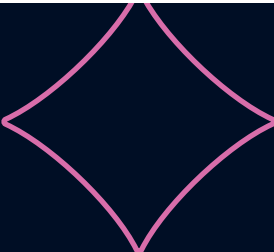
The charity has provided services to a close family member of Alan Taylor during the year. These services have a value of £33,680 (2021: £30,237) and have been charged to Alan at arms length. At the balance sheet date, the amount of £432 (2021: £99) was outstanding in relation to the services provided. This is included within trade debtors in the accounts.

The charity has provided services to a close family member of Alison McLaughlin during the year, who was appointed as a Trustee on 4 May 2022. These services have a value of £24,167 (2021: £nil) and have been charged to Alison at arms length. At the balance sheet date, the amount of £141 (2021: £nil) was outstanding in relation to the services provided. This is included within trade debtors in the accounts.

19. Cash generated from operations

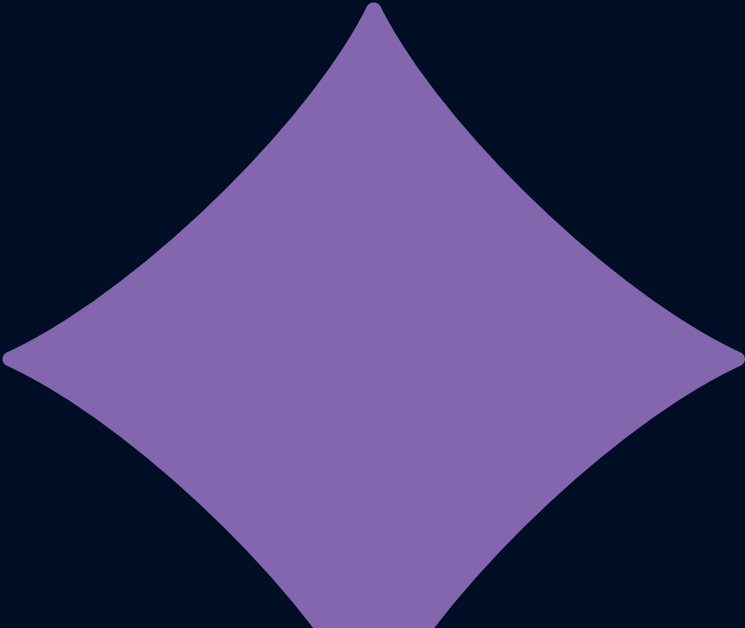
	2022	2021
	£	£
Surplus/(deficit) for the year	25,174	(88,260)
Adjustments for:		
Investment income recognised in statement of financial activities	(22)	(253)
Depreciation and impairment of tangible fixed assets	23,719	23,527
Movements in working capital:		
(Increase)/decrease in debtors	(178,158)	90,059
Increase/(decrease) in creditors	95,999	(72,779)
Cash absorbed by operations	(33,288)	(47,706)

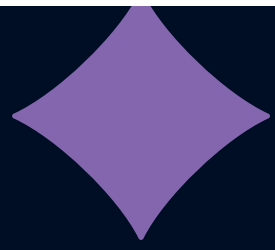




capella 

*formerly **Sleep Scotland***





capella 

Charity registration number SC027560 (Scotland)
Company registration number SC182935 (Scotland)