



Hot Chocolate Trust

Scottish Charity Number SC 035714

Company Limited by Guarantee Number SC 384635

Financial Accounts for the year ended 31 December 2025

Hot Chocolate Trust

Scottish Charity Number SC 035714

Company Limited by Guarantee Number SC 384635

Trustees' Annual Report for the year ended 31 December 2025

The trustees are pleased to present their annual report and financial statements for the year ended 31st December 2025. These are also prepared to fulfil the requirements of a directors' report and accounts for Companies Act purposes.

Objectives and activities

Hot Chocolate Trust's charitable objects are:

- (a) the advancement and promotion of the education, welfare and holistic development of young people, including the provision of recreational facilities and the provision of locations which are open, responsive and safe to facilitate young people growing to full maturity as individuals, positive change makers, community builders and mature citizens, such advancement and promotion being from a Christian perspective;
- and
- (b) the advancement of education primarily but not exclusively in the City of Dundee through relationships built on trust and respect, which are organic and reciprocal, promoting the emotional, mental, spiritual and physical well-being of those suffering from the consequences of deprivation, poverty, social exclusion, poor health, abuse or unemployment in order to advance the development of community.

Hot Chocolate Trust is a creative and innovative youth work organisation based in the Steeple Church, Dundee. Since 2001, Hot Chocolate has worked with thousands of young people aged 12-25 who hang out in the city centre, building relationships and supporting them towards adulthood and positive futures. How we work is simple. There are a few key things we think are really important, and so we always try to do youth work in a way that reflects them:

- 1) viewing young people as whole people: supporting their holistic development which realises physical, mental, emotional, social and spiritual potential;
- 2) growing a community with young people which is open, accepting and safe;
- 3) building relationships based on respect and trust, relationships which are voluntary and two-way;
- 4) ensuring that plans and activities are owned by young people, adapt with the culture, and bring positive change for all involved;
- 5) embracing a culture of reflective learning where we learn from our own experiences (even our mistakes);
- 6) knowing what we're good at - and not so good at: working with other people and organisations who can provide specialist opportunities for young people that we couldn't make happen on our own.

Hot Chocolate is open to all young people without prejudice or distinction of gender reassignment, being married or in a civil partnership, being pregnant or on maternity leave, disability, race including colour, nationality, ethnic or national origin, religion or belief, sex, sexuality or sexual orientation. The only restrictions are of age – from secondary school up to 25 years of age (although open group work is restricted to young people aged up to 21 years).

Hot Chocolate Trust has two aspects to its work: youth work with young people is our overwhelming priority, and wider impact work has grown out of this. Youth work includes open sessions attended by approximately 150 young people each fortnight, small group work, individual support, street work, volunteering, holiday programmes and residential. In 2025 we continued to face the unfolding impacts of the pandemic years, austerity, cost of living crisis, and local and global uncertainties. All of these have direct and indirect impacts on young people as they try to find their place in the world. They also have impacts on our, and other organisations', capacity to offer support, for example through a highly challenging fundraising environment. Systemic pressures on communities cannot be avoided but we are very proud of the sustained and effective youth work described below.

Wider impact work seeks to improve young people's experiences in and beyond Dundee through sharing the youth work practices, resources and tools which have been developed within Hot Chocolate. This is achieved through amplifying young people's voices; through sharing training, coaching, development processes and tools developed in our youth work; through research partnerships; and through wider relationships with practitioners, decision-makers, academics, and policy makers.

In addition to paid staff, Hot Chocolate is grateful to the large number of volunteers who participate in lots of different aspects of the project: all types of youth work; team development; team leading; cooking; minibus driving and DIY.

Achievements and Performance

Hot Chocolate has been working with young people in Dundee on their own terms since 2001 — a place where the door is open and people are received as they are, without condition. In 2025, the need for that kind of space remained as pressing as ever. Mental health difficulties, poverty, family breakdown, educational disengagement and deep uncertainty about the future continued to shape the lives of many of the young people who found their way here, often in combination and with a complexity that more formal services are rarely equipped to hold.

Across 2025, Hot Chocolate ran 95 open sessions, 387 individual support sessions, 142 groups and projects, 25 trips, 2 residential, 6 community meals, 6 street work sessions and 26 Bookable Spaces sessions. These figures give some sense of the scale and consistency of a community that simply keeps showing up — though the numbers carry only so much of what actually happens within them.

"It's good to get a break from everything. I can put all my problems at the door and just destress."

— Madi, 17

That sentence says more about what Hot Chocolate is than most frameworks can. Not a service delivering interventions to a target group, but a place — somewhere a young person can arrive as they are, and be received without condition.

The young people who come here are, as they have always been, vividly themselves. Around 53% identify as LGBTQ+. 33% are neurodivergent, with a further 14% waiting for a diagnosis. 61% live in the most deprived 20% of postcodes in Scotland. 66% were bullied at school; 54% regularly truant; 34% were excluded. 45% worry about money most weeks. Most carry some combination of mental health challenges, economic pressure, and difficult relational histories. What they share, often, is the

experience of not quite fitting — and a sharpened instinct for what is real and what is not. Hot Chocolate has to earn its place in their lives each time. It has, for twenty-four years, done so.

This year, as in every year, creative activity was central to how that community life was built. Music, art, sport, cooking, digital projects, volunteering — not as scheduled programmes in a timetable, but as ways of being alongside young people, opening up conversations and discoveries that more formal settings rarely reach.

"I feel like my art isn't going to get judged here. I feel like me as a person is accepted here."

— Jacob, 19

Two projects this year are worth highlighting for what they reveal about young people's capacity when given genuine agency.

The Boys Don't Cry podcast brought a group of young men together to explore what it means to grow up male in Dundee — covering role models, mental health, drugs, alcohol, and the unspoken expectations placed on young men. It was not a professionally produced awareness campaign. It was young people making something honest together, and wanting to share it. **"We want to make Dundee a tiny bit better,"** said one participant. The simplicity of that ambition is not small. It is everything.

The Young Digital Lives research project, led in partnership with the Ada Lovelace Institute, placed young people in the role of researchers — visiting other youth groups across the country, facilitating conversations about technology and digital life, and bringing their learning back. The project lead, Renate Samson, reflected afterwards:

"The creativity, thoughtfulness, wit and ingenuity that the young people brought to the project was paramount to its success and an absolute joy to be a part of."

This is what participation looks like when it is genuinely co-produced rather than consulted upon.

Young people also led a participatory funding process with National Lottery Community Fund: Young Start, designing their own grant-making process and making recommendations that Young Start took forward. And young people redesigned Hot Chocolate's own huts within our building — because, as one participant put it,

"We're all the age of people that come here, so us being able to do this was good cause we know what young people want."

Outcomes

Through Hot Chocolate's outcomes database — Teckle Data, now available for other organisations to use — we track the changes young people themselves recognise in their own lives. In 2025: 327 young people grew in self-knowledge; 306 increased their sense of self-worth; 403 improved in social skills and connections; 224 deepened their understanding of how to positively impact their lives and communities;

240 took active steps to do so; 161 improved their ability to plan ahead and sustain goals; 33 deepened their spiritual lives or understanding of God.

179 different young people were supported around education, employment and training across the year. 16 started new jobs. 36 began new education placements. 19 moved into training. 32 sustained placements they might otherwise have left. 92 gained new confidence and experience through volunteering. Behind each of those figures is a set of conversations, encouragements, setbacks and breakthroughs that no spreadsheet fully holds.

Wider Impact

Hot Chocolate continued this year to contribute to the broader field of youth work — in partnership with King's College London, the University of Dundee, Youth Scotland, and the Ada Lovelace Institute. Dr Tania de St Croix of King's College London, wrote:

“Hot Chocolate is not only valuable for the young people in Dundee — it is also leading the way in youth work and evaluation.”

Mike Strang, Chief Executive of Youth Scotland, noted that Hot Chocolate

“always finds time to make great contributions to sector development and national discussions.”

That wider contribution matters. At a time when funding for youth work remains fragile and short-term, and when the case for long-term relational approaches must be made again and again, Hot Chocolate's combination of evidence, practice and sector presence is genuinely valuable — not just for Dundee but for the field.

Looking Ahead

The 2025 financial year has required careful and active management. The funding environment facing the voluntary sector in Scotland — contracting statutory income, intense competition for grant funding, and the persistent undervaluing of core organisational infrastructure — is placing real pressure on organisations like Hot Chocolate. The organisation is navigating this with a clear pipeline of funding applications in progress, a strengthening range of funder relationships, and new strategic work under development, including emerging partnerships with the Social Enterprise Academy and other new partners around enterprise and employability pathways for young people.

The relational practice that underpins everything Hot Chocolate does remains the organisation's greatest asset and its most important investment. The year ahead will focus on sustaining and building on that foundation, while developing the new income opportunities and partnerships that will strengthen Hot Chocolate's long-term position.

2026 has also brought loss. In April, Ryan Glen died. Ryan had grown up at Hot Chocolate, become a youth worker here, and remained part of the team until eighteen months before his death — part of this community for almost twenty-five years. Around three hundred people came to the memorial held at the Steeple, many of them young people who had passed through these doors years before, returning because this was the place that held what Ryan meant to them. It said something quiet and important about what Hot Chocolate builds over time.

"Hot Chocolate clearly brings young people both serious support and serious joy."

That has been borne out across this year's work. It remains the heart of what this organisation is.

Financial Review

Hot Chocolate Trust is grateful to both existing and new funders for their generous awards, and to our individual donors, who have enabled our work to continue during the period. Hot Chocolate aims to keep a level of reserves sufficient to fund the planned activities.

Our greatest area of expenditure is salaries, as so much of our youth work depends on spending time with young people and building relationships with them.

Individual grants have been received for general youth work and specific activities enabling Hot Chocolate to run our regular open and Bookable Spaces sessions, small groups and individual support. We blend responsive, whole-person youth work with specialist resourcing and opportunities (e.g. creative arts, Education/Employment/Training, volunteering, mental health and emotional wellbeing) to maximize young people's participation, agency, and responsibility. Additionally, this year, we have received significant non-grant income generated by our youth work.

A major risk for Hot Chocolate is the possibility of failing to secure sufficient grant funding to continue its activities. In response to this risk, Hot Chocolate structures our team and roles, and aligns youth work activities in close consultation with young people to ensure continuing effectiveness. Hot Chocolate also has its paid Wider Impact work, for example training and teaching, and our Teckle Data monitoring and evaluation database application as a saleable online service, as a means of both achieving our charitable objects and earning income at the same time.

Hot Chocolate is grateful to Dundee Law Parish Church (Church of Scotland) for its continued support, particularly through use of the church building for youth workspaces and offices.

Reserves policy

At the year end, Hot Chocolate holds £234,546 (2024 - £265,861) in reserves, of which £61,156 is unrestricted and of this, free reserves not invested in fixed assets amounted to £50,513. No material amounts have been designated.

The funds at the year end place Hot Chocolate in an acceptable position as we commence 2026. As with most charities, Hot Chocolate Trust constantly needs to seek new sources of funding in order for the work to continue. Successful fundraising has maintained a sufficient level of reserves in 2025, and further fundraising will be required in the forthcoming months.

The directors regularly monitor the level of unrestricted reserves, as these are vital in allowing Hot Chocolate flexibility in its work. The directors aim to have unrestricted reserves to a level of 3 months' budgeted non-capital cash spending (approximately £138K for 2025). The level of free reserves at the year end is 37% of this target level.

Going concern

The current funding climate is challenging for charities. For example, government cuts mean that the charities who were previously primarily funded through national and local government grants are now looking to grant-making trusts to fill their shortfall. This puts pressure on the trusts, and on charities like us who have previously sought most of our funding from these trusts. We are, however, pleased to report that we have managed to maintain adequate reserves during the year. We have succeeded in securing more multi-year funding after a period when many funders moved towards shorter-term (up to 12 months) grants, giving greater stability. The increased competition for funding means that we have needed and continue to need to spend more time in writing grant applications and in other fundraising, including engaging in procurement processes where they fit with our strategy and youth work practice. We are also continuing to develop income generation through training and practice development for other agencies, academic research and through Teckle Data, our online monitoring and evaluation database application.

Our fundraising continues to be a priority to ensure we can carry on working alongside the young people in the best way possible. Hot Chocolate Trust continues to follow a stable fundraising strategy with a previously proven track record and, following staff changes, has been working with an experienced fundraising consultant. We are also exploring opportunities to diversify our income sources, including through relationships with local businesses. The directors recognise that the current challenging fundraising environment creates uncertainties which could necessitate restructuring to ensure its status as a going concern. However, Hot Chocolate Trust is working to secure sustainable funding to continue all our work with young people in Dundee.

Structure, Governance and Management

Hot Chocolate Trust was originally constituted as a trust, its trust deed dated 15th June 2004. On 30th September 2010, the trust transferred all assets and liabilities to a company limited by guarantee, also called Hot Chocolate Trust. Hot Chocolate Trust is governed by its Memorandum dated 31st August 2010 and its Articles of Association as amended on 9th June 2015.

New directors of the Board (trustees) are appointed if they receive 75% of directors' votes at a quorate board meeting. A normal term of office for a director is 3 years, at the end of which the director can either stand down or continue. The organisation will offer each director an informal meeting at 3-year intervals where an opportunity will be offered to exchange views on how best the director can contribute to the future priorities and work of the board. A director can resign before their term of office has been completed.

The directors meet quarterly. In addition to these meetings, sub-groups have been set up to oversee various aspects of the project: People and Development; and Finance, Risk and Physical Resources. These sub-groups meet between the quarterly Board meetings, and report back to the Board.

The directors come from a wide range of professions bringing varied professional, youth work, voluntary sector, finance and human resources experience. The directors do not receive remuneration for their role as directors / trustees.

Induction and training for directors is overseen by the Co-Chairs according to the Directors Handbook, which sets out the role and responsibilities of directors. In addition to the quarterly board and sub-group meetings, the board holds two development sessions which include addressing directors' training needs as individuals and as a group.

From January 2020, a new pay scale for staff was put in place after a comprehensive pay review, benchmarking salaries against skills and pay for employers of a similar size in Scotland. Management staff are paid within their band on this pay scale. Any movement within the pay scale is subject to the decision of the board following the annual appraisal process. The remuneration of the highest paid staff member is detailed in note 13 to the accounts.

The role of the directors is a strategic one, with day-to-day operational decisions delegated to the Executive Director. The Board and the Executive Director form the key governance and management of the charity. Consultation is vital to all that is done at Hot Chocolate. Day to day youth work, extended projects, and strategy are all undertaken with young people, volunteers, and employees involved in learning, design, planning and delivery.

The youth work of Hot Chocolate was initiated by The Steeple Church in 2001, and the organisation is immensely grateful for the diverse ongoing support of Dundee Law Parish Church (Church of Scotland), for example, by means of two nominated directors, use of the Steeple building and collaboration and support from office bearers and congregation members.

Reference and administrative details

Charity Name	Hot Chocolate Trust
Charity registration number	SC 035714
Company number	SC 384635
Principal address	The Steeple, Nethergate, Dundee DD1 4DG.
Registered office	The Steeple, Nethergate, Dundee DD1 4DG.

Charity Trustees / Directors of the Board

Mrs Sheena Gibson	Co-Chair
Mr Alan Harper	
Ms Vered Hopkins	appointed March 2026
Mr David Johnstone	resigned August 2026
Mrs Deborah Johnstone	resigned August 2026
Mrs Sammy Keith	appointed April 2025
Mrs Michaela McLean	resigned September 2026
Mrs Pamela Mellstrom	Co-Chair
Mr Ross Middlemiss	
Dr Ruth Murdoch	resigned September 2025
Mr David Osfield	
Mrs Fiona Strachan	Treasurer

Advisers to the Board

Mr David Close (Executive Director until December 2025)
Miss Eilaine Coffey (Head of Youth Work)
Dr Mairi Mackay (Executive Director from February 2026)
Ms Claudia Richardson (Finance and Governance Manager)
Mr Andrew Robertson (Creative Arts Lead)

Auditor

Mr Neil Fleming CA
BK Plus
Stannergate House, 41 Dundee Road West, Broughty Ferry, Dundee
DD5 1NB

So far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware. Each director has taken all steps they ought to have to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with FRS102 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 (effective 1 January 2019) and with the provisions applicable to companies under the small companies' regime.

Declaration

The directors / trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees on 24th September 2026.

Sheena Gibson

Fiona Strachan

Sheena Gibson
Co-Chair

Fiona Strachan
Treasurer

Statement of directors' responsibilities

The directors (who are the trustees of the charity for the purposes of charity law) are responsible for preparing the directors' 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 directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HOT CHOCOLATE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HOT CHOCOLATE TRUST

Opinion

We have audited the financial statements of Hot Chocolate Trust (the 'charity') for the year ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 December 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Emphasis of matter - Going concern

We draw attention to Note 1(b) in the financial statements concerning the charity's ability to continue as a going concern. As described in that note, the trustees recognise that the current challenging fundraising environment creates uncertainties which could necessitate restructuring in order to maintain the charity's status as a going concern. The trustees are continuing to pursue a stable fundraising strategy, diversify income sources and secure sustainable funding to support future operations. Our opinion is not modified in respect of this matter.

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.

HOT CHOCOLATE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOT CHOCOLATE TRUST

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

At the planning stage, we assess the risk of material misstatement and any such irregularities and design audit procedures tailored to these risks which will be followed to ensure that we are capable of meeting our responsibilities in this area. Factors relevant to our assessment, which have a positive impact on the capability of our procedures to detect such irregularities, are the size of the entity, the complexity of the entity's operations and our understanding of their regulatory and control environments.

The staff working on this audit assignment have been fully briefed in relation to the charity's activities, including the regulatory regime in which they operate.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

HOT CHOCOLATE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOT CHOCOLATE TRUST

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern.
If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Review of correspondence with regulators including OSCR and the Health and Safety Executive, reviewing legal fee invoices and board minutes.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Neil James Fleming

Neil James Fleming (Senior Statutory Auditor)

For and on behalf of BK Plus Limited, Statutory Auditor

Chartered Certified Accountants

Stannergate House

41 Dundee Road West

Broughty Ferry

Dundee

DD5 1NB

Scotland

Date: 29 September 2026

BK Plus Limited 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.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Statement of Financial Activities (including income and expenditure account)
for the year ended 31 December 2025

	Note	Unrestricted Funds	Restricted Funds	2025	Unrestricted Funds	Restricted Funds	2024
		£	£	£	£	£	£
Income from							
Donations and legacies	3	146,097	329,137	475,234	143,470	315,595	459,065
Charitable activities	4	139,930	-	139,930	17,494	-	17,494
Other trading activities	5	-	-	-	57	-	57
Investments	6	4,618	-	4,618	8,365	-	8,365
Total		290,645	329,137	619,782	169,386	315,595	484,981
Expenditure on							
Raising funds	7	41,583	28,662	70,245	19,579	32,508	52,087
Charitable activities	8	274,689	306,163	580,852	193,326	347,207	540,533
Total		316,272	334,825	651,097	212,905	379,715	592,620
Net (expenditure) / Net movement in funds	10	(25,627)	(5,688)	(31,315)	(43,519)	(64,120)	(107,639)
Reconciliation of funds							
Total Funds Brought Forward		86,783	179,078	265,861	130,302	243,198	373,500
Total Funds Carried Forward		61,156	173,390	234,546	86,783	179,078	265,861

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Balance Sheet at 31 December 2025

	Note	Unrestricted Funds £	Restricted Funds £	2025 £	Unrestricted Funds £	Restricted Funds £	2024 £
Fixed Assets							
Intangible Assets	14	7,200	-	7,200	9,762	-	9,762
Tangible Assets	15	3,443	146,119	149,562	3,640	155,301	158,941
Total Fixed Assets		10,643	146,119	156,762	13,402	155,301	168,703
Current Assets							
Debtors	16	13,353	3,280	16,633	3,812	15,776	19,588
Cash at Bank and in Hand		47,113	180,517	227,630	76,939	128,334	205,273
Total Current Assets		60,466	183,797	244,263	80,751	144,110	224,861
Creditors Falling Due Within One Year	17	9,953	156,526	166,479	7,370	120,333	127,703
Net Current Assets		50,513	27,271	77,784	73,381	23,777	97,158
Total Net Assets		61,156	173,390	234,546	86,783	179,078	265,861
Funds of the Charity							
Restricted Funds	18	-	173,390	173,390	-	179,078	179,078
Unrestricted Funds		61,156	-	61,156	86,783	-	86,783
Total Charity Funds		61,156	173,390	234,546	86,783	179,078	265,861

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees / Directors on 16th September 2026.
Signed by two trustees on behalf of all the trustees

Sheena Gibson

Sheena Gibson
Co-Chair

Fiona Strachan

Fiona Strachan
Treasurer

The notes on pages 17 to 27 form part of these financial statements.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Statement of Cash Flows for the year ended 31 December 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	22	<u>17,185</u>	<u>(106,903)</u>
Cash flows from investing activities			
Bank interest		4,618	8,365
Investment in intangible assets		-	-
Purchase of property, plant and equipment		-	-
Net cash provided / (used in) by investing activities		<u>4,618</u>	<u>8,365</u>
Cash flows from financing activities			
Repayments of borrowing		(1,639)	(1,065)
Cash inflows from new borrowing		2,193	1,639
Net cash provided by / (used in) financing activities		<u>554</u>	<u>574</u>
Change in cash and cash equivalents in the reporting period		22,357	(97,964)
Cash and cash equivalents at the beginning of the reporting period		<u>205,273</u>	<u>303,237</u>
Cash and cash equivalents at the end of the reporting period		<u><u>227,630</u></u>	<u><u>205,273</u></u>

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. 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 £.

b) Preparation of the accounts on a going concern basis

Our fundraising continues to be a priority to ensure we can carry on working alongside the young people in the best way possible. Hot Chocolate Trust continues to follow a stable fundraising strategy with a previously proven track record and, following staff changes, has been working with an experienced fundraising consultant. We are also exploring opportunities to diversify our income sources, including through relationships with local businesses. The directors recognise that the current challenging fundraising environment creates uncertainties which could necessitate restructuring to ensure its status as a going concern. However, Hot Chocolate Trust is working to secure sustainable funding to continue all our work with young people in Dundee.

c) Income

Incoming resources are recognised when the criteria of entitlement are met, receipt is probable and the income can be reliably measured. Incoming resources with related expenditure are reported gross in the Statement of Financial Activity (SoFA).

Grants and other income received to fund the purchase of fixed assets are recognised as income in the year of receipt and reported within restricted reserves. Thereafter the restricted reserve is reduced on an annual basis at the same rate as the depreciation on the assets to which the grants relate.

Government and other grants towards revenue expenditure are credited to revenue in the period to which they relate.

d) Donated services and facilities

Donated services and facilities are only included in incoming resources (with an equivalent amount in resources expended) when the criteria of entitlement are met, receipt is probable and the benefit to the charity is reliably measurable and material. The value placed on these resources is the estimated open market value. In accordance with the Charities SORP (FRS 102), the value of voluntary help received is not included in the accounts but is described in the trustees' annual report.

e) Interest receivable

Investment income is in the form of bank interest and is included in the accounts when receivable.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are grants and donations which must be spent as specified by the donor.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise making grant applications, specific activities to raise funds and non-charitable trading, along with associated support costs.
- Expenditure on charitable activities comprises the costs of youth work and wider impact work as described in the trustees' report, along with associated support costs.
- Other expenditure represents those items not falling under any other heading.

Hot Chocolate Trust is not registered for VAT. Expenditure is therefore allocated to activities gross of VAT.

h) 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 tasks such as finance, personnel, payroll and governance. These costs have been allocated between the cost of raising funds and expenditure on charitable activities on the basis outlined in note 9.

i) Intangible fixed assets

Intangible assets are recognised when they can bring future economic benefits to the charity. They are valued at cost and are amortised on a straight line basis over the expected period of benefit.

j) Tangible fixed assets

Assets are capitalised above a de minimis level reviewed and agreed by the Treasurer on an annual basis. They are valued at cost and depreciation is charged on a straight line basis. Computer equipment is depreciated over 3 years, camera and music equipment over 8 years, other equipment over 5 years and tenant's improvements over 20 years.

k) Debtors

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

l) Cash at bank and in hand

This includes cash held and the balance of instant access, notice and term accounts held with Virgin Money and through the Charities Aid Foundation Deposit Platform run by Flagstone.

m) 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 trade discounts due.

n) Financial instruments

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

o) Pensions

From November 2016, the charity has been subject to automatic enrolment legislation. Prior to November 2016, eligible staff were able to opt in to the scheme. The charity agrees to contribute 10% of salary while the employee contributes 3.75% of salary. From April 2023, the option of salary exchange for pension contributions was offered to staff. The scheme is a group personal pension operated by The Royal London Mutual Insurance Society Limited. The charity is responsible for collecting and paying over the contributions. The cost of the scheme is detailed in note 13.

p) Judgements in applying accounting policies and key sources of estimation

In the application of the charitable company's accounting policies, the Directors 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.

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether leases entered into by the charitable company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Intangible and tangible fixed assets are amortised or depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

2 Legal status of Hot Chocolate Trust

Hot Chocolate Trust is a company limited by guarantee which is incorporated in Scotland and has no share capital. The liability of each member in the event of winding-up is limited to £1.

3 Analysis of income from donations

	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
	£	£	£	£	£	£
Grants from other charities	24,166	277,429	301,595	19,250	253,373	272,623
Government grants	-	51,708	51,708	-	62,222	62,222
Gift aid donations and tax reclaimed	13,771	-	13,771	12,109	-	12,109
Other donations	8,060	-	8,060	12,011	-	12,011
Donated services	100,100	-	100,100	100,100	-	100,100
Total income from donations	146,097	329,137	475,234	143,470	315,595	459,065

Government grants are received to support various aspects of our youth work and other costs, some of which are administered by third parties. Although we report on our outcomes to funders, the grants are not service-level agreements. There are no unfulfilled conditions or other contingencies attached to the grants recognised as income.

4 Income from Charitable Activities

	2025	2024
	£	£
Income generated by youth work	126,485	200
Wider Impact Income	13,445	17,294
Total income from charitable activities	139,930	17,494

Income generated from youth work in 2025 included £119,195 from Ada Lovelace Institute for the Ada Grown Up project on young people's digital lives and £6,000 from National Lottery Community Fund: Young Start for action research on funding decisions. Wider Impact income is from student teaching and supervision, education consultancy and sales of our Teckle Data monitoring and evaluation database.

5 Income from other trading activities

	2025	2024
	£	£
Non-primary purpose trading	-	57
Total income from other trading activities	-	57

6 Income from investments

Investment income of £4,618 is interest received on funds in Hot Chocolate Trust's bank accounts (2024: £8,365).

7 Analysis of expenditure: Raising funds

Type of spending	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
	£	£	£	£	£	£
Direct staff costs	32,776	26,426	59,202	14,074	31,466	45,540
Training and organisational development	130	901	1,031	271	273	544
Other fund raising costs	388	-	388	59	-	59
Building usage	4,000	-	4,000	2,800	-	2,800
Support costs	4,289	1,335	5,624	2,375	769	3,144
	41,583	28,662	70,245	19,579	32,508	52,087

8 Analysis of expenditure: Charitable activities

Type of spending	Youth Work	Wider Impact	2025	Youth Work	Wider Impact	2024
	£	£	£	£	£	£
Direct staff costs	276,349	11,022	287,371	300,153	11,178	311,331
Direct youth work costs	103,389	-	103,389	45,846	-	45,846
Direct wider impact costs	-	5,724	5,724	-	4,780	4,780
Team expenses	1,974	-	1,974	3,324	-	3,324
Training and organisational development	6,249	124	6,373	5,442	93	5,535
Building usage	91,300	500	91,800	93,100	500	93,600
Support costs	82,567	1,654	84,221	74,768	1,349	76,117
	561,828	19,024	580,852	522,633	17,900	540,533

9 Analysis of resources expended: Support costs

Type of spending	Raising Funds	Youth Work	Wider Impact	2025	Raising Funds	Youth Work	Wider Impact	2024
	£	£	£	£	£	£	£	£
Direct staff costs	150	46,232	926	47,308	22	42,298	763	43,083
Training and organisational development	491	2,941	59	3,491	267	2,529	46	2,842
Office running costs and other core costs	2,605	15,614	313	18,532	1,458	13,785	249	15,492
Repairs and maintenance	233	1,399	28	1,660	110	1,041	19	1,170
Building usage	-	3,529	71	3,600	-	2,947	53	3,000
Governance	2,145	12,852	257	15,254	1,287	12,168	219	13,674
	5,624	82,567	1,654	89,845	3,144	74,768	1,349	79,261

Governance costs can be further broken down as follows:

	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
	£	£	£	£	£	£
Direct staff costs	3,698	6,392	10,090	3,300	7,438	10,738
Capacity building and direct governance costs	219	-	219	166	-	166
Training and organisational development	20	145	165	61	63	124
Independent Examiner's/Auditor's costs	4,080	-	4,080	1,946	-	1,946
Building usage	700	-	700	700	-	700
	8,717	6,537	15,254	6,173	7,501	13,674

Staff costs for each staff member are allocated to charitable activities, raising funds, support and governance according to hours worked.

Staff support costs are then allocated across charitable activities in the ratio of full time equivalent staff working directly in those areas.

Building usage costs are calculated separately for halls and offices.

Hall usage costs are allocated to youth work.

Office usage costs are allocated between raising funds, charitable activities, support and governance in accordance with staff hours worked.

The portion calculated as support costs is then allocated across the charitable activities in the ratio of full time equivalent staff working directly in those areas.

Other costs are allocated across raising funds and charitable activities in proportion to the number of full time equivalent staff in those areas.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

10 Net income / (expenditure) for the year

This is stated after charging

	2025	2024
	£	£
Amortisation	2,562	2,562
Depreciation	9,379	9,716
Independent Examiner's/Auditor's costs	4,080	1,946

11 Trustees' remuneration, benefits and expenses

No expenses were paid to Trustees in carrying out their role.

In line with legislation, the Trustees approved the purchase of Trustees' assurance, which was paid for by Hot Chocolate Trust.

12 Independent Examiner's/Auditor's and other financial fees

£4,320 has been accrued for the audit of the 2025 accounts by BK Plus Ltd. (2024 independent examination: accrued £2,040, actual fee £1,800).

13 Staffing

Staff costs	2025	2024
	£	£
Gross salaries	328,719	337,665
Employer's National Insurance	38,568	31,263
Pension costs	43,978	44,392
Employment allowance (NICs rebate)	(10,500)	(5,000)
	400,765	408,320
Recruitment	1,065	230
	401,830	408,550

The average head count of staff employed during the year was 11.25 (9.5 full-time and 1.75 part-time). (2024: 11.9 (9.6 full-time and 2.3 part-time)).

Average number of full-time equivalent employees in the year

Area of Work	2025	2024
Fundraising	1.2	0.9
Youth Work	7.5	8.3
Wider Impact	0.2	0.2
Support	1.3	1.2
Total	10.2	10.6

No employee received emoluments of more than £60,000.

The Executive Director (who is an employee and not on the board of directors) received employee benefits (including employer's NI and pension contributions) for the year of £61,116 (2024: £61,150).

Defined contribution pension scheme

Hot Chocolate Trust is subject to pensions automatic enrolment legislation.

The option of salary exchange for pension contributions is offered to staff.

The pension scheme cost £43,978 this year (2024: £44,392).

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

14 Intangible fixed assets

Hot Chocolate Trust developed a monitoring and evaluation database for our own use. Further development has taken place that will enable us to sell this to other charities as a "Software as a Service" tool. The further development work and legal fees have been capitalised as an intangible asset, to be amortised over 7 years.

Cost

	2025	2024
	£	£
At beginning of the year	17,938	17,938
Additions	-	-
Disposals	-	-
At end of the year	<u>17,938</u>	<u>17,938</u>

Amortisation - 7 year period

	2025	2024
	£	£
At beginning of the year	8,176	5,614
Amortisation for the period	2,562	2,562
Disposals	-	-
At end of the year	<u>10,738</u>	<u>8,176</u>

Net book value

	2025	2024
	£	£
At beginning of the year	9,762	12,324
At end of the year	7,200	9,762

15 Tangible fixed assets

Cost

	Computer equipment	Camera & music equipment	Other equipment	Tenant's Improvements	2025
	£	£	£	£	£
At beginning of the year	8,129	6,951	27,679	174,192	216,951
Additions	-	-	-	-	-
Disposals	(659)	-	(186)	-	(845)
At end of the year	<u>7,470</u>	<u>6,951</u>	<u>27,493</u>	<u>174,192</u>	<u>216,106</u>

Depreciation

	Straight line basis				2025
	3 year life	8 year life	5 year life	20 year life	£
	£	£	£	£	
At beginning of the year	8,129	6,898	26,387	16,596	58,010
Depreciation for the period	-	53	617	8,709	9,379
Disposals	(659)	-	(186)	-	(845)
At end of the year	<u>7,470</u>	<u>6,951</u>	<u>26,818</u>	<u>25,305</u>	<u>66,544</u>

Net book value

	£	£	£	£	2025
					£
At beginning of the year	-	53	1,292	157,596	158,941
At end of the year	-	-	675	148,887	149,562

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

Cost	Computer equipment	Camera & music equipment	Other equipment	Tenant's Improvements	2024
	£	£	£	£	£
At beginning of the year	11,324	6,951	27,679	174,192	220,146
Additions	-	-	-	-	-
Disposals	(3,195)	-	-	-	(3,195)
At end of the year	8,129	6,951	27,679	174,192	216,951

Depreciation	3 year life	8 year life	5 year life	20 year life	2024
	£	£	£	£	£
At beginning of the year	11,324	6,642	25,636	7,887	51,489
Depreciation for the period	-	256	751	8,709	9,716
Disposals	(3,195)	-	-	-	(3,195)
At end of the year	8,129	6,898	26,387	16,596	58,010

Net book value	£	£	£	£	2024
	£	£	£	£	£
At beginning of the year	-	309	2,043	166,305	168,657
At end of the year	-	53	1,292	157,596	158,941

16 Debtors and prepayments

Analysis of debtors	Amounts falling due within one year	
	2025	2024
	£	£
Debtors	4,583	-
Prepayments	2,628	2,880
Accrued income	9,422	16,708
Total	16,633	19,588

17 Creditors and accruals

Analysis of creditors	Amounts falling due within one year	
	2025	2024
	£	£
Company credit cards	2,193	1,639
Trade creditors	435	146
Accruals	7,422	6,065
Deferred income	156,429	119,853
Total	166,479	127,703

Deferred income	2025	2024
	£	£
Opening deferred income	119,853	114,065
Deferred income released in the year	(119,853)	(114,065)
Income deferred in the year	156,429	119,853
Closing deferred income	156,429	119,853

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

18 Restricted income funds

Hot Chocolate Trust received some grants for specific purposes or projects. These monies are held in the following restricted funds:

Fund name	Purpose
Alexander Moncur Trust	Salary, youth work and building development costs
Amazon Regional Creatives Fund	Salary and youth work costs
Bank of Scotland Foundation	Salary and youth work costs
BBC Children in Need	Salary costs
Benefact Trust	Building development costs
CashBack for Creativities: Open Arts Fund	Youth work
Creative Scotland - Participatory Arts and Mental Health	Youth work
Creative Scotland: Youth Music Initiative	Salary and youth work costs
DCC	Youth work
DCC - Multiply Fund	Salary, youth work and venue costs
DCC Community Mental Health and Wellbeing Framework	Salary and youth work costs
DCC Community Support & Diversionary Activities Fund	Salary and youth work costs
DCC Dundee Youth Fund	Youth work
DCC SME Development Grant	Wider impact costs
DCC Summer of Play 2021	Youth work
DCC UKSPF Dundee Youth Diversionary Fund	Salary and youth work costs
Dr Guthrie's Association	Youth work
Dundee Alcohol and Drugs Partnership	Salary and youth work costs
DVVA Communities Mental Health & Wellbeing Fund	Salary and youth work costs
Gannochy Trust	Salary and youth work costs
Hillcrest Foundation	Salary, youth work and core costs
Hugh Fraser Foundation	Salary costs
Inspiring Scotland	Salary and youth work costs
Inspiring Scotland Creative Communities	Salary and youth work costs
Investing in Communities Fund	Salary, youth work and core costs
Lethendy Charitable Trust	Salary and youth work costs
Life Changes Trust	Salary, youth work and building development costs
MAKE Trust	Salary and core costs
Mathew Trust	Salary costs
National Lottery: Strengthening Organisations	Salary and core costs
NHS Tayside Charitable Foundation	Salary, training and youth work costs
NHS Tayside Charitable Foundation partnership	Salary, youth work and core costs
Nine Incorporated Trades of Dundee	Youth work
Northwood Charitable Trust	Salary and building development costs
Paul Hamlyn Foundation	Salary costs
Rank Foundation	Salary and training costs
Robertson Trust	Core costs
Russell Trust	Youth work
STV Children's Appeal	Core costs and building development costs
Tesco Bags for Help	Youth work
The Baird Trust	Building development and core costs
The Hedley Foundation	Youth work
The Henry Smith Charity	Project costs
The National Lottery Community Fund: Young Start	Salary and youth work costs
The Ragdoll Foundation	Salary and youth work costs
The Stafford Trust	Salary costs
WM Sword Charitable Trust	Youth work
YouthLink Scotland Future Challenges Research	Salary costs
YouthLink Scotland Youth Arts Open Fund	Salary and youth work costs

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

Movements of major funds

Fund name	Fund balance 31.12.23 £	Incoming resources 2024 £	Outgoing resources 2024 £	Fund balance 31.12.24 £	Incoming resources 2025 £	Outgoing resources 2025 £	Fund balance 31.12.25 £
Alexander Moncur Trust	4,854	-	250	4,604	4,000	250	8,354
Bank of Scotland Foundation	564	15,700	15,367	897	11,250	12,147	-
BBC Children in Need	-	19,832	19,832	-	27,026	27,026	-
Benefact Trust	7,864	-	405	7,459	-	405	7,054
CashBack for Creativities: Open Arts Fund	43	-	43	-	-	-	-
Creative Scotland - Participatory Arts and Mental Health	13,050	1,950	15,000	-	-	-	-
Creative Scotland: Youth Music Initiative	265	-	213	52	-	52	-
DCC	-	600	600	-	-	-	-
DCC - Multiply Fund	-	8,389	7,691	698	4,263	4,961	-
DCC Community Mental Health and Wellbeing Framework	1,146	30,027	30,381	792	13,473	14,265	-
DCC Community Support & Diversionary Activities Fund	7,197	15,276	22,473	-	-	-	-
DCC Dundee Youth Fund	-	1,500	1,500	-	-	-	-
DCC SME Development Grant	-	2,480	180	2,300	-	2,300	-
DCC Summer of Play 2021	242	-	100	142	-	100	42
DCC UKSPF Dundee Youth Diversionary Fund	-	-	-	-	3,451	3,451	-
Dr Guthrie's Association	-	1,500	1,500	-	-	-	-
Dundee Alcohol and Drugs Partnership	-	-	-	-	8,415	7,301	1,114
DVVA Communities Mental Health & Wellbeing Fund	7,356	-	7,356	-	7,500	7,500	-
Gannochy Trust	3,333	9,803	10,014	3,122	29,864	30,465	2,521
Hillcrest Foundation	4,248	-	4,248	-	5,000	2,123	2,877
Hugh Fraser Foundation	-	-	-	-	4,000	-	4,000
Inspiring Scotland	1,432	30,003	31,435	-	27,858	27,685	173
Investing in Communities Fund	214	-	88	126	-	88	38
Lethendy Charitable Trust	-	-	-	-	5,000	5,000	-
Life Changes Trust	110,374	-	5,828	104,546	-	5,828	98,718
MAKE Trust	-	11,000	10,000	1,000	37,555	37,969	586
Mathew Trust	3,750	5,000	5,000	3,750	-	3,750	-
NHS Tayside Charitable Foundation	-	-	-	-	13,471	10,970	2,501
Nine Incorporated Trades of Dundee	-	1,000	552	448	-	448	-
Northwood Charitable Trust	19,724	10,799	13,311	17,212	11,868	12,804	16,276
Paul Hamlyn Foundation	-	26,125	26,125	-	-	-	-
Rank Foundation	1,254	16,679	17,933	-	-	-	-
Robertson Trust	27,499	-	27,499	-	-	-	-
Russell Trust	-	-	-	-	2,000	-	2,000
STV Children's Appeal	19,225	-	990	18,235	1,000	990	18,245
Tesco Bags for Help	483	-	200	283	-	200	83
The Baird Trust	2,974	-	332	2,642	-	332	2,310
The Hedley Foundation	-	-	-	-	3,000	-	3,000
The Henry Smith Charity	4,536	61,432	58,826	7,142	61,037	63,788	4,391
The National Lottery Community Fund: Young Start	-	33,000	33,000	-	30,250	30,250	-
The Ragdoll Foundation	1,571	4,000	3,256	2,315	-	3,208	(893)
The Stafford Trust	-	-	-	-	3,250	3,250	-
WM Sword Charitable Trust	-	5,000	5,000	-	-	-	-
Youth Scotland Generation CashBack	-	2,000	687	1,313	-	1,313	-
Youth Scotland Safe Spaces Youth Work Fund	-	2,000	2,000	-	-	-	-
YouthLink Scotland Future Challenges Research	-	500	500	-	-	-	-
YouthLink Scotland Youth Arts Open Fund	-	-	-	-	14,606	14,606	-
Total restricted funds	243,198	315,595	379,715	179,078	329,137	334,825	173,390

At the year end, the Alexander Moncur Trust, Benefact Trust, DCC Summer of Play, Investing in Communities Fund, Life Changes Trust, Northwood Charitable Trust, STV Children's Appeal, Tesco Bags for Help and The Baird Trust fund balances a fixed asset less depreciation.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

19 Transactions with related parties

Dundee Law Parish Church (Church of Scotland), formerly The Steeple Church: Dundee (Church of Scotland), is considered to be a related party as two of Hot Chocolate Trust's trustees are nominated by Dundee Law Parish Church, thereby constituting "significant influence". Dundee Law Parish Church donates the use of the halls and office spaces to Hot Chocolate Trust (see note 20). Hot Chocolate Trust paid £8,000 to Dundee Law Parish Church as a contribution towards the cost of utilities and repairs (2024: £4,000). This amount was agreed by the board.

Transactions relating to Trustees are declared in note 11.

20 Use of halls and office space

Hot Chocolate Trust is grateful to Dundee Law Parish Church for the free use of halls for youth work, and the free use of office space it receives. These donated services have been valued for the year at £100,100 in the accounts, with an associated cost incurred (2024: £100,100).

21 Corporation Tax

As a registered charity, Hot Chocolate Trust is entitled to certain exemptions from corporation tax on income applied to the furtherance of its charitable objects.

22 Reconciliation of net (expenditure) / income to net cash flow from operating activities

	2025	2024
	£	£
Net (expenditure)	(31,315)	(107,639)
Adjustments for		
Amortisation charge	2,562	2,562
Depreciation charge	9,379	9,716
Bank interest	(4,618)	(8,365)
Decrease / (increase) in debtors	2,955	(7,065)
Increase in creditors (excluding credit cards)	38,222	3,888
Net cash (used in) / provided by operating activities	<u>17,185</u>	<u>(106,903)</u>

23 Analysis of changes in net debt

	Cash flows		Cash flows		
	At 31.12.23	2024	At 31.12.24	2025	At 31.12.25
	£	£	£	£	£
Cash at bank and in hand	303,237	(97,964)	205,273	22,357	227,630
Loans falling due within 1 year: credit cards	(1,065)	(574)	(1,639)	(554)	(2,193)
Total	<u>302,172</u>	<u>(98,538)</u>	<u>203,634</u>	<u>21,803</u>	<u>225,437</u>