Charity registration number SC027560 (Scotland)

Company registration number SC182935 (Scotland)

CAPELLA CHARITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

CAPELLA CHARITY

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CAPELLA CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2026

The Trustees present their Report, together with the accounts for the year ended 31st March 2026. The Board have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” (FRS 102) 2019 in preparing the annual report and financial statements of the charity.

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

Introduction and Strategic Overview

Capella exists to create lasting change through learning because everyone deserves to thrive. During 2025/26, the organisation continued to perform strongly while operating in a challenging external environment for social care, public funding and the wider third sector. Across the year, Capella has strengthened its services, grown its influence, invested in infrastructure and continued to build organisational resilience.

The year has been one of implementation and consolidation. We progressed major service developments through Teens+, Next Steps and Sleep Action, and continued to invest in the systems, people and partnerships needed to support purposeful growth.

Key achievements include strong financial stewardship, continued growth in Teens+ and Next Steps, a successful launch of the new Sleep Action website, progress toward Cyber Essentials Plus and completion of significant Net Zero milestones.

Digital transformation has been a major focus and through our data governance project we have been able to strengthen data driven decision making through new Power BI dashboards which have improved visibility, supported more timely decision-making and strengthened how we evidence impact and quality.

While financial pressures across the sector remain, Capella’s growth in income, strengthened reserves, and continued investment in infrastructure position the organisation well to navigate future uncertainty.

Thanks to our funders

Our achievements in 2025/26 have been made possible through the continued support of funders, partners, families, staff, and supporters. Community fundraising has grown in both reach and ambition, with highlights including Kiltwalk, Footgolf, coffee mornings and a Falkirk Wheel abseil. We also secured targeted funding to support sustainability and service development, including funding for Next Steps and carbon-reduction work.

With thanks to the generous grants provided by:

- The Scottish Government
- National Lottery Community Fund
- Garfield Weston
- Health & Social Care Alliance Trust
- The Duke of Edinburgh’s Award
- The Wood Foundation (YPI)
- John Watson Trust
- Russell Trust
- Cycling UK
- Edinburgh Communities Climate Action Network (ECCAN)
- ECSC Community Benefit Fund
- The Bailey Thomas Charitable Fund
- Red House Home Trust
- Groundwork UK
- The Graham Trust

- Nancie Massey
- Delamere Dairy Foundation
- Skipton Building Society
- The Percy Bilton Charity
- Edinburgh Council Community Grants

Sleep Action

There is no health and wellbeing without sleep

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

Healthier, Happier and More Confident Families

This year we strengthened Sleep Action's national profile and launched our new website in July, which contributed to a significant increase in support line enquiries.

Sleep Action provided support to 713 families while managing sustained demand for the Sleep Support Line with 60% of our casework requiring our more complex, Tier 2 support. To help meet demand we introduced a new specialist Sleep Support Practitioner role, helping to bridge the gap between our Tier 1 and Tier 2 support and ease pressure on our Tier 2 Sleep Counsellors. Waiting times remained above target during the year, but the team continued to check in with families, streamline support and maintain our tailored, empathetic approach that families value.

Families continue to report improved confidence and wellbeing. After our support, 75% of children are no longer sleeping in a parent's bed; 67% no longer require their parents to get out of bed during the night; 57% are no longer experiencing night waking and 42% settle independently.

Sleep Support Line family feedback

"I worked with our Sleep Support Practitioner for a few months and she was amazing. My son has ASD and sleep was a massive struggle, and I felt like I was a failure. However, she gave us some good stratagem to try and gave me useful information on different things that affect the sleep and how we can best support him getting a good sleep, which helped massively. I am so grateful for her and her support. Your service can help so many people like me and my son who don't want to go straight to medication and try something natural."

"My sleep counsellor was amazing, such a calming nurturing lady with great advice and tips to support myself and my daughter. She helped me understand and gave me the confidence to know we could get through this."

Developing Sleep Knowledge and Support Systems

Sleep Action's training offer remained highly rated, with delegate satisfaction consistently reported at 100% across the year. Following our SCQF level 7 accreditation for Sleep Counselling for Children and Young People, we are supporting 29 Sleep Counsellors to complete this qualification.

This year, we tried a new approach to training, focusing on delivering open courses to expand our reach. However, with external pressures continuing to be a concern for Health and Social Care Partnerships, this strategy proved a challenge. This resulted in our training income falling by 5% against the previous year. Having learned from this, we are moving back to our roots in 2026/27 and will continue to work collaboratively with Health and Social Care Partnerships to support and meet their training needs.

Sleep Action training feedback

"Very valuable to have skills and knowledge for my daily work in NHS Health Visiting Team"

"So glad that I attended this training as this topic comes up all the time with our families"

"I found this training extremely beneficial and will definitely take the information and resources forward!"

We were delighted to host 46 Sleep Counsellors at our first national Sleep Counsellor Conference in September this year. Delegates described the day as worthwhile with highly rated keynote speakers and practical workshops.

Healthy Sleep as Part of Health and Wellbeing

This year we launched our new Sleep Manifesto, calling on the Scottish Parliament to embed sleep health in the Curriculum for excellence. Monica Lennon MSP received cross party support from her motion seeking the Scottish Government to meet with us to explore the implementation of our manifesto recommendations.

For World Sleep Day in March 2026, we hosted an event at Parliament, attended by many MSPs and parliamentary staff. Thank you to our partners at the University of St Andrews, as well as our event supporters and speakers from Victoria Primary School Falkirk and the University of Glasgow SHINE network and HBSC.

Teens+

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

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

Teens+ continued to deliver sector-leading education and support while responding to sustained demand, local authority pressures and service growth. Across the year, the service supported 122 students, which was an increase of 13% from the previous year. We strengthened parent and carer engagement by launching a newsletter and enhanced our focus on learning outcomes by launching new AI initiatives to increase our person-centred learning planning.

In December 2025 we received a routine unannounced inspection by the Care Inspectorate. We were incredibly proud to receive a top score of 6 – Excellent for how well we support our student's wellbeing and a score if 5 – Very good for how good our staff team are.

Excerpt of Teens+ Care Inspection Report – December 2025

"People were thriving because the highly attuned and well trained, knowledgeable staff in the service fully understood their role in supporting people's access to healthcare and addressing health inequalities.

Their highly skilled and confident staff team ensured that information was always shared with the right people at the right time.

Leaders were passionate and had an inspirational vision for the service.

People's outcomes excelled because they were enabled to make informed health and lifestyle choices.

Staff were recruited in a way that had been informed by all aspects of safer recruitment guidance."

Next Steps Empowers Young People with Additional Needs

Next Steps made significant progress, with the Fisherrow Hub opening in September 2025, supporting 11 trainees by the end of March 2026. Due to delays linked to Edinburgh City Council processes, our Edinburgh Next Steps Hub at Gorgie City Farm has not been able to open this year. We continue to work with the local authority to assist them in allocating trainees to launch Gorgie Farm Hub in 2026/27.

Our adapted Duke of Edinburgh Award programme has gone from strength to strength, with 27 people undertaking their Bronze Award, 15 Silver and 2 Gold. Our partnership with Venturing Out has been an excellent opportunity to offer supported and accessible Duke of Edinburgh Expeditions.

Next Steps case study

When Szabi and his family moved from Hungary to Scotland, they were looking for opportunities that had not previously been available to him. With limited support for young people with additional needs in Hungary, Szabi had struggled to access meaningful education, social opportunities and experiences to help him reach his potential.

Joining Next Steps has been transformative. Szabi has embraced new opportunities, including the Duke of Edinburgh's Award, driving lessons, volunteering, kayaking and orienteering.

With support, encouragement and a strong sense of belonging, he has grown in confidence and feels able to be his authentic self. His family have seen him flourish, taking on new challenges with enthusiasm and pride. His journey shows what young people can achieve when barriers are removed and potential is recognised.

Friends+ Offers Evening and Weekend Social Opportunities

Friends+ delivered over 10,861 hours of tailored support including evening sessions which was a 41% increase on our previous year. We also delivered 325 sleepovers, which is a 50% increase on the previous year. Due to lack of respite service provision in the area, demand continues to outstrip our ability to provide this service. Feedback from families continues to be positive.

Friends+ family feedback

“One of the biggest challenges for my daughter is having her own social life and Friends+ allows her to do this.”

“We have been so impressed with the Friends+ setup. The accommodation and setting is wonderful and properly equipped and the staff go over and above to support our son and know him and his needs so well. We can relax knowing he is in safe, competent, caring hands and having a great time!”

“We all get much needed respite from each other, and we can do activities that we can’t do otherwise.”

Enabling People to THRIVE

We are proud of our people, and enabling people to thrive remains a strategic priority. During the year, Capella invested in recruitment, onboarding, training and culture. We implemented a new salary scale following external job evaluation, reviewed the staff forum to strengthen employee voice, introduced quarterly staff surveys and trained 16 staff as Mental Health First Aiders. Recruitment remained strong overall with 52 new staff recruited. Staff turnover this year was 18.6%, which is below our target of 20% and the sector average of 29%. However, we are focused on retaining our excellent staff and plan to invest more in the future in maintaining our excellent and dedicated staff team.

Keeping Our House in Order

We take pride in being a financially sound and well-governed organisation. Throughout 2025/26, Capella maintained a strong financial position despite a difficult external environment. Finance strengthened monthly management information, improved balance sheet oversight, monitored reserves compliance and supported the organisation to respond to changing assumptions around local authority funding, service growth and charitable structure.

Operationally, Capella improved facilities, compliance and business continuity across the year. This included strengthening GDPR processes, introducing improved reception and check-in systems, investing in laptops and ergonomic equipment, improving maintenance across centres and applying learning from incidents such as the East Lothian fire closure and the opening of new hubs.

We Are a Role Model

Capella continued to demonstrate leadership across the sector, particularly in sustainability, digital innovation, social care advocacy and the use of AI. We were proud to have been named Edinburgh Chamber of Commerce Net Zero Champion of 2026 and highly commended for Innovation in Business.

Our CEO was elected as the Chair of Charity Leadership Scotland, taking on a high-profile role to represent the charity sector across Scotland. Our team have also focused on sharing our experience with other charities, helping them to grow and develop to meet current challenges.

AI has also become increasingly embedded across the organisation. Capella transitioned paid ChatGPT licences to Microsoft Copilot, delivered AI hackathons, trained staff in baseline AI literacy and began applying AI to practical challenges such as individual learning plan development, reporting and administrative efficiency.

Environmental Sustainability

Capella made strong progress toward its Net Zero commitments. We completed the first year of the Net Zero Nation Accelerator Programme, established Green Champions, began collecting and analysing carbon data, secured sustainability funding and shared our learning externally through sector events and case study activity. This work is helping embed sustainability into culture, operations and future planning.
During 24/25, Capella established its baseline carbon emissions of 74.7 tCO_2e (Scopes 1–3), providing a clear starting point for our Net Zero journey.

Future Plans

We expect the market to continue to be challenging and volatile, with significant pressures on funding streams. Our focus for the immediate future is to consolidate our services to ensure they are fit for the future and as efficient as possible within the constraints of the current financial climate.

Having grown considerably over the past 5 years, we plan to focus on ensuring our systems and processes are suitable and underpin our values and quality standards. We are reviewing our governance model to ensure that it is fit for purpose and are actively considering whether now is the right time for Sleep Action and Teens+ to become two, separate charities able to thrive on their own.

We plan to continue to invest in our staff team, ensuring they are well supported and trained to deliver our high standards of support. We also plan to continue to invest in innovation such as AI adoption. However, we continue to balance our goals against our Net Zero strategy.

Principal Risks and Risk Management

The Board regularly reviews the charity's key strategic and operational risks and is satisfied that appropriate systems are in place to monitor and manage these effectively.

During the year, the principal risks facing the charity included financial sustainability, particularly in relation to funding for services, local authority commissioning decisions and delivery of budgeted income; maintaining high standards of care and regulatory compliance; workforce capacity and staff engagement; information and cyber security; and effective governance during a period of Board transition.

To mitigate these risks, the charity maintains robust financial planning and monitoring arrangements, quality assurance and training programmes, succession and workforce planning, strengthened cyber security controls, business continuity arrangements and ongoing Board development and recruitment.

The Board and Senior Management Team continue to monitor emerging risks and review mitigation measures to ensure the charity remains resilient and well placed to deliver its charitable objectives.

Structure Governance and Management

Capella is a charitable company limited by guarantee, governed by a Board of Trustees who oversee strategy and compliance. Our charitable purpose is to help children and adults, particularly those with complex needs, to realise their full potential. Capella operates under its registered name and uses Sleep Action and Teens+ to represent different charitable services. Our Articles of Association, last amended on 2 December 2021 and will be reviewed during FY 26/27 to comply with our mandatory 5-year review.

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

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

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

Trustee recruitment, induction and training

In accordance with our Articles of Association, Trustees are appointed for a three-year term, with the option to serve a second term. Under exceptional circumstances, a third, three-year term is possible. The Trustee Appointments Committee is responsible for recruiting and recommending new Trustees.

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

Benchmarking and setting remuneration of key employees

All roles were benchmarked against similar roles in the relevant sectors. Teens+ Project Worker salaries are adjusted in April each year to follow the Scottish Government social care pay rates.

Related parties

Two trustees are parents of students attending TEENS+: A McLaughlin and C Burrow.

Trustee M. Gardani, who resigned as a trustee during the year, is a guest lecturer for Sleep Action delivering training to delegates.

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

Trustees	
Suzanne Daly (Chair)	
Lisa Otty (Vice Chair)	Resigned 9th September 2026
Colin Burrow (Chair of Finance Committee)	
Julia White	
Alison McLaughlin	
Maria Gardani	Resigned 3rd February 2026
Marc Strathie	
Ian Glen	
Adrian De Andres	Resigned 28th July 2026
Janyce Holmes	
Alan Earsman	
Hannah Graham-Dalgarno	Appointed 7th July 2025
Senior Staff	
G Burden	CEO
S Pearce-Madge	Head of Teens+
Z Beak	Head of HR
A O'Brien	Head of Sleep Action
C Simpson	Finance Director
C McShane	Head of Corporate Services
Registered Office and Principal Address	60 Ravenscroft Street Edinburgh, EH17 8QW
Auditors	Thomson Cooper
Bankers	Unity Trust Bank Royal Bank of Scotland
Charity Registration Number	SC027560
Company Number	SC182935

Statement of trustees' responsibilities

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.

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G Burden

CEO

Dated: 22-09-26 .....

CAPELLA CHARITY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CAPELLA CHARITY

Opinion

We have audited the financial statements of Capella Charity (the 'charity') for the year ended 31 March 2026 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 2026 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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



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

23-09-26

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

CAPELLA CHARITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	**Unrestricted funds 2026**	**Restricted funds 2026**	**Total 2026**	Unrestricted funds 2025	Restricted funds 2025	Total 2025
		£	**£**	**£**	£	£	£
Income from:							
Donations and legacies	**3**	69,130	1,800	70,930	44,706	-	44,706
Charitable activities	**6**	5,858,818	217,734	6,076,552	4,994,376	223,040	5,217,416
Other trading activities	**4**	3,233	-	3,233	13,007	-	13,007
Investments	**5**	9,683	-	9,683	10,750	-	10,750
Total income		5,940,864	219,534	6,160,398	5,062,839	223,040	5,285,879
Expenditure on:							
Raising funds	**7**	54,057	-	54,057	48,420	-	48,420
Charitable activities	**8**	5,667,953	305,390	5,973,343	4,799,052	279,395	5,078,447
Total expenditure		5,722,010	305,390	6,027,400	4,847,472	279,395	5,126,867
Net incoming/(outgoing) resources before transfers		218,854	(85,856)	132,998	215,367	(56,355)	159,012
Gross transfers between funds		(63,627)	63,627	-	(17,743)	17,743	-
Net income/(expenditure) for the year/ Net movement in funds		155,227	(22,229)	132,998	197,624	(38,612)	159,012
Fund balances at 1 April 2025		1,005,890	72,648	1,078,538	808,266	111,260	919,526
Fund balances at 31 March 2026		1,161,117	50,419	1,211,536	1,005,890	72,648	1,078,538

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

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

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

CAPELLA CHARITY

BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed assets					
Tangible assets	**12**		245,223		166,726
Current assets					
Debtors	**13**	667,777		844,582	
Cash at bank and in hand		696,756		680,393	
		1,364,533		1,524,975	
Creditors: amounts falling due within one year	**14**	(398,220)		(613,163)	
Net current assets			966,313		911,812
Total assets less current liabilities			1,211,536		1,078,538
Income funds					
Restricted funds	**15**		50,419		72,648
Unrestricted funds			1,161,117		1,005,890
			1,211,536		1,078,538

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 23-09-26

Suzanne Daly

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S Daly
Chair

Company Registration No. SC182935

CAPELLA CHARITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Cash flows from operating activities					
Cash generated from operations	**19**		127,355		89,123
Investing activities					
Purchase of tangible fixed assets		(120,675)		(90,302)	
Interest received		9,683		10,750	
Net cash used in investing activities			(110,992)		(79,552)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			16,363		9,571
Cash and cash equivalents at beginning of year			680,393		670,822
Cash and cash equivalents at end of year			696,756		680,393

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 Accounting policies **(Continued)**

1.4 Incoming resources

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

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

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

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

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

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

1.5 Donated Services

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

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

1 Accounting policies **(Continued)**

1.6 Resources expended

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

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

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

- Other expenditure comprises costs not falling into any other heading.

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

1.7 Allocation of support costs

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

1.8 Operating leases

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

1.9 Tangible fixed assets

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

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

1 Accounting policies **(Continued)**

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 Creditors and provisions

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

1.13 Financial instruments

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

1.14 Pensions

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

1.15 Taxation

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

1.16 Employee benefits

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

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

1.17 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	**Restricted funds**	**Total**	Unrestricted funds	Restricted funds
	2026	**2026**	**2026**	2025	2025
	£	**£**	**£**	£	£
Donations and gifts	69,130	1,800	70,930	44,706	-

4 Other trading activities

	Unrestricted funds	**Restricted funds**	**Total**	Total
	2026	**2026**	**2026**	2025
	£	**£**	**£**	£
Sundry income	3,233	-	3,233	13,007

5 Income from investments

	Unrestricted funds	Unrestricted funds
	2026	2025
	£	£
Other income	9,683	10,750

6 Charitable activities

	2026	2025
	£	£
Grants and awards receivable	217,734	223,040
TEENS+ Service charges	5,359,785	4,571,451
Training course fees	225,197	237,893
Befriending income	273,836	185,032
	6,076,552	5,217,416
Analysis by fund		
Unrestricted funds	5,858,818	4,994,376
Restricted funds	217,734	223,040
	6,076,552	5,217,416
Grants and Awards Receivable		
H&SC Alliance Grant	28,806	19,656
Garfield Weston Grant	25,000	25,000
Scottish Government	89,250	89,250
The National Lottery	36,959	86,197
Trans Ed Grants & Donations	2,500	2,937
Other grants and awards	35,219	-
	217,734	223,040

7 Expenditure on raising funds

	Unrestricted funds 2026	Unrestricted funds 2025
	£	£
Fundraising and publicity		
Other fundraising costs	54,057	48,420

8 Charitable activities

	Sleep Counselling and Support	TEENS+ & Friends+ (respite)	Sleep Training	Total
	2026	**2026**	**2026**	**2026**
	£	**£**	**£**	**£**
Salary costs	175,531	4,027,404	160,738	4,363,673
Depreciation and impairment	-	30,322	-	30,322
Recruitment, training & travel	266	18,771	1,619	20,656
Rent, rates & insurance	-	324,396	-	324,396
Utilities	-	41,868	-	41,868
Other premises costs	-	76,857	-	76,857
Office/Centre costs	5,946	59,315	12,662	77,923
Activities, transport & catering	-	94,530	-	94,530
Cost of training events	-	-	32,348	32,348
Professional fees	4,998	10,859	-	15,857
Marketing & conferences	-	-	-	-
New Centre set up costs	-	52,197	-	52,197
	186,741	4,736,519	207,367	5,130,627
Share of support costs (see note 10)	17,637	685,125	41,356	744,118
Share of governance costs (see note 10)	2,337	90,781	5,480	98,598
	206,715	5,512,425	254,203	5,973,343
Analysis by fund				
Unrestricted funds	-	5,413,750	254,203	5,667,953
Restricted funds	206,715	98,675	-	305,390
	206,715	5,512,425	254,203	5,973,343

8 Charitable activities **(Continued)**

	Sleep Counselling and Support	TEENS+ & Friends+ (respite)	Sleep Training	Total
	2025 £	2025 £	2025 £	2025 £
Salary costs	160,837	3,271,691	136,521	3,569,049
Depreciation and impairment	930	26,357	-	27,287
Recruitment, training & travel	2,204	25,108	9,922	37,234
Rent, rates & insurance	-	264,137	-	264,137
Utilities	-	53,783	-	53,783
Other premises costs	-	83,883	-	83,883
Office/Centre costs	5,589	41,847	11,084	58,520
Activities, transport & catering	-	71,261	-	71,261
Cost of training events	-	-	45,104	45,104
Professional fees	-	37,220	-	37,220
Marketing & conferences	-	-	1,195	1,195
New Centre set up costs	-	60,195	-	60,195
	169,560	3,935,482	203,826	4,308,868
Share of support costs (see note 10)	19,115	624,670	35,753	679,538
Share of governance costs (see note 10)	2,533	82,771	4,737	90,041
	191,208	4,642,923	244,316	5,078,447
Analysis by fund				
Unrestricted funds	-	4,556,736	242,316	4,799,052
Restricted funds	191,208	89,187	2,000	279,395
	191,208	4,642,923	244,316	5,078,447

9 Trustees

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

10 Support costs

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

	Support costs	**Governance costs**	**2026**	Support costs	Governance costs	2025
	£	**£**	**£**	£	£	£
Staff costs	498,512	66,054	564,566	436,592	57,850	494,442
Depreciation	10,469	1,387	11,856	2,406	319	2,725
Audit fees	7,621	1,010	8,631	7,900	1,047	8,947
Other administrative overheads	227,516	30,146	257,662	232,640	30,825	263,465
	744,118	98,597	842,715	679,538	90,041	769,579

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.

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2026 Number	2025 Number
Direct charitable activity	194	167
Support staff	16	16
	210	183

Employment costs	2026 £	2025 £
Wages and salaries	4,340,145	3,686,290
Social security costs	504,574	308,404
Other pension costs	83,520	68,797
	4,928,239	4,063,491

The total amount of employee benefits received by key management personnel of the charity is £363,286 (2025: £315,925). The charity considers its key management personnel comprise the Chief Executive Officer, Finance Director, Head of TEENS+, Head of Sleep Action, Head of HR and Head of Corporate Services.

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

	2026 Number	2025 Number
£60,000 to £69,999	1	1
£80,000 to £89,999	1	-

12 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2025	459,384	116,001	575,385
Additions	88,480	32,195	120,675
At 31 March 2026	547,864	148,196	696,060
Depreciation and impairment			
At 1 April 2025	322,359	86,300	408,659
Depreciation charged in the year	28,199	13,979	42,178
At 31 March 2026	350,558	100,279	450,837
Carrying amount			
At 31 March 2026	197,306	47,917	245,223
At 31 March 2025	137,025	29,701	166,726

13 Debtors

	2026	2025
Amounts falling due within one year:	£	£
Trade debtors	327,597	698,891
Other debtors and prepayments	340,180	145,691
	667,777	844,582

14 Creditors: amounts falling due within one year

	2026	2025
	£	£
Other taxation and social security	93,316	70,131
Trade creditors	107,004	177,165
Other creditors	94,497	95,961
Accruals and deferred income	103,403	269,906
	398,220	613,163

15 Restricted funds

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

	Movement in funds				
	Balance at 1 April 2025	Incoming resources	Resources expended	Transfers	Balance at 31 March 2026
	£	£	£	£	£
Sleep	-	143,089	(206,716)	63,627	-
TEENS+	26,470	41,227	(57,085)	-	10,612
Ravenscroft	46,178	-	(11,545)	-	34,633
Small Grants (Fundraising)	-	35,218	(30,044)	-	5,174
	72,648	219,534	(305,390)	63,627	50,419

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

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.

Small Grants
This fund comprises monies raised by the charity's fundraiser for specific items of equipment and activities that are outside and additional to the charity's core budgeted expenditure

16 Analysis of net assets between funds

	Unrestricted Funds 2026 £	**Restricted Funds 2026 £**	**Total 2026 £**	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total 2025 £
Fund balances at 31 March 2026 are represented by:						
Tangible assets	214,126	31,097	245,223	113,043	53,683	166,726
Current assets/(liabilities)	946,990	19,323	966,313	892,848	18,964	911,812
	1,161,116	50,420	1,211,536	1,005,891	72,647	1,078,538

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:

	2026 £	**2025 £**
Within one year	268,151	254,151
Between two and five years	524,677	711,828
In over five years	245,000	273,000
	1,037,828	1,238,979

18 Related party transactions

The charity has provided services to a close family member of Alison McLaughlin during the year. These services have a value of £38,433 (2025: £38,878) and have been charged to Alison at arms length. At the balance sheet date, the amount of £2,074 (2025: £4,743) was outstanding in relation to the services provided. This is included within trade debtors in the accounts.

The charity has provided services to a close family member of Colin Burrow during the year. These services have a value of £60,441 (2025: £57,116) and have been charged to Colin at arms length. At the balance sheet date, the amount of £3,228 (2025: £8,387) was outstanding in relation to the services provided.

19	Cash generated from operations	2026 £	2025 £
	Surplus for the year	132,998	159,012
	Adjustments for:		
	Investment income recognised in statement of financial activities	(9,683)	(10,750)
	Depreciation and impairment of tangible fixed assets	42,178	30,012
	Movements in working capital:		
	Decrease/(increase) in debtors	176,805	(261,307)
	(Decrease)/increase in creditors	(214,943)	172,156
	Cash generated from operations	127,355	89,123