Company registration number SC296943 (Scotland)

Charity registration number SC037181 (Scotland)

FAMILY SERVICE UNIT SCOTLAND KNOWN AS CIRCLE

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

FAMILY SERVICE UNIT SCOTLAND KNOWN AS CIRCLE
(A COMPANY LIMITED BY GUARANTEE)
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FAMILY SERVICE UNIT SCOTLAND KNOWN AS CIRCLE
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 MARCH 2026

The trustees present their annual report and financial statements for the year ended 31 March 2026.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

The objects of the charity as stated in the Memorandum of Association are:

• To provide help, support and protection to children, families and individuals who are in conditions of poverty, vulnerability or distress or who are otherwise in need by reason of their personal, social or economic circumstances; and

• To advance education, policy and practice in health and social services through study of conditions that affect children and families and through dissemination of the knowledge gained through that study and the experience of service provision.

The charity has the general aim of promoting the social inclusion of families with children marginalised by poverty and discrimination. The charity's purpose is to improve the lives of children by strengthening families.

Our strategic ambitions are:
• to increase the numbers of children and families who benefit from the Circle approach
• to build collaborative approaches and services, creating effective and lasting partnerships with organisations that share our commitment and values in the voluntary and statutory sector
• to promote and develop the value of our whole family approach by influencing the policy environment in Scotland
• to innovate to meet future challenges through developing our own expertise and the knowledge base of the wider social care workforce
• to build our organisational resilience and sustainability to be leaders in supporting families and children

Our objectives are:
• to protect and promote the best interests of children
• to support marginalised families with children to develop a self-supporting and effective family life
• to provide holistic and preventative services
• to establish locally based, effective, accessible and flexible services
• to work in partnership with other agencies to promote integrated services
• to support student learning and post qualifying learning and development
• to develop and disseminate good practice to influence policy and practice

To do this we provide preventative family support services that are strengths-based and solution-focussed.

Currently we have projects which focus on:
• families with children affected by parental substance use
• families with children affected by parental imprisonment
• families with children at risk of school exclusion
• families with very young children and who need additional support
• pregnancy and postnatal support to mothers and their families affected by substance use
• support to fathers in their role as parents and the wider family
• young people who are using substances and/or affected by parental substance use

The charity's principal areas of activity are described below.

Anchor: This project provides family support across a number of local authorities in Scotland.

- **Addiewell Service**: Supports fathers in HMP Addiewell whose children are affected by parental drug and alcohol use. The service helps the men as they prepare to return to their families and communities in West Lothian and in North and South Lanarkshire. This service ended in March 2026.
- **Addiewell Service (National Drugs Mission)**: Supports fathers and their families through intensive whole-family support, therapeutic counselling, and children's resilience work for fathers in HMP Addiewell, addressing complex needs related to substance use, domestic abuse, and mental health.
- **Women's Outreach Team**: Service in North and South Lanarkshire supports women, and their children, and families facing a range of challenges including experiences of domestic abuse, complex mental health, alcohol and substance use.
- **Caledonian System Project**: Supports families in South Lanarkshire affected by domestic abuse and is a partnership between South Lanarkshire Council, Circle and Women's Aid South Lanarkshire.
- **Women's Outreach Service**: Based in Clackmannanshire this service offers whole-family support and therapeutic counselling for mothers and their children (aged 18 and under) affected by domestic abuse, mental health challenges, and substance use.
- **Pregnancy and Perinatal Service**: based in Clackmannanshire and funded by the Whole Family Wellbeing Fund to develop our new Pregnancy and Perinatal Service. The early intervention service provides hand on parenting support and whole family interventions to strengthen parent-child relationships, improve child health and wellbeing, and support wider, stable and successful family relationships.
- **Youth Justice and Rights Service**: This service provided intensive early intervention and prevention support for young people and their families, promoting the rights of children and young people as set out in the UNCRC. Using a whole-family, strengths-based approach, we support vulnerable young people in North Lanarkshire who are at risk of school exclusion or involvement with justice services.

  This service ended in the summer of 2026 due to lack of funding.

East Lothian: This project supports young people, and families with children in East Lothian who are affected by parental drug and alcohol use.

- **Children Affected by Parental Use Service**: This project supports families in East Lothian who are affected by parental drug and alcohol use, working with the whole family and continuing collaborative working with partners like the EL substance use service (NHS) and Children's services (East Lothian Council)
- **Pregnancy Service**: Supporting pregnant women and new mothers in East Lothian affected by substance use, and their families.
- **The Family Peer Support Service**: Provides additional support to adults impacted by family and loved one's substance use. Developments include the use of CRAFT (Community Reinforcement and Family Training) helping family members to understand their family members substance use and how to manage this, whilst considering self-care.
- **Grow Your Own Routes**: A service for older young people ages 12-26 the Grow your Own Routes part of the team have offered over 60 young people one to ones and group work. The young people have been helped to have difficulty conversations, to have their views heard by adults and to pave the way for their own route in life.
- **Children's Resilience Worker**: For children affected by family substance use, who are ages 7-11, we have offered one to one and season themed group support to 10 children. The children have always amazed us with their strengths and creativity.

Harbour: Based in Edinburgh, this is a city wide service that supports families with children affected by parental drug and alcohol use.

- **Family Outreach**: This project provides holistic, whole family support to children, young people and families who are affected by parental drug and alcohol use. Over the past year we have also piloted delivering a group based on the Parenting under Pressure programme in partnership with NHS colleagues.
- **Family Inclusion Service**: Delivering regular group opportunities for families both in term time and throughout school holiday periods. The co-ordinator works closely with other community resources to promote inclusion and the needs of families. The project also offers peer support on an individual basis delivered by our Parent Peer Support Workers.

- **The Sparrow Service**: Delivered in partnership with CEC Family Group Decision Making and Stepping Stones North Edinburgh and supports parents who have had children permanently removed from their care.
- **North West Recovery Development Worker**: A new role in North West locality to work closely with adult substance use services and improve knowledge and understanding of family's needs within this setting.

Haven: Based in North Edinburgh, the project provides whole family support and early years support.

- **Craigentinny and St. Ninian's primary school-based support:** Utilising Pupil Equity Funding, directly supporting children in the two schools. This work ended in Autumn 2025.
- **BWell Together:** A consortium of agencies in North-West Edinburgh (Stepping Stones North Edinburgh, MYDG, PYCP, Granton Youth and Intercultural Youth Scotland), with Circle as lead partner, and aims to improve the mental health and wellbeing of children and young people in community settings.
- **The Mentoring Project:** Based in North Edinburgh, this project links 5th and 6th year pupils with primary aged children who have been identified as requiring some additional support.
- **The Family Hub:** A Whole Family Wellbeing Funded collaborative service with partners Home Start Edinburgh, Homelink Family Support, Stepping Stones North Edinburgh, Citizens Advice Edinburgh, CEC Early Years and NHS Pairs. The Family Hub provides early individual and group support in the community to families across Edinburgh with children under 5 years of age. Circle lead on the North East locality.

Upside: This service is the National Voluntary Throughcare Service, available in all parts of Scotland. Upside is a partnership with Sacro, Apex, Access to Industry, Action for Children, Barnardos, Circle, Families Outside and Turning Point Scotland.

- **Upside:** This service provides people in short term custody, or remand with the practical and emotional support they need. The service is voluntary and will address any issues people and their families may have as an individual on release like health, housing, finance, skills and employment. Upside can also connect with family support.

West Lothian: This project supports families with children in West Lothian who are affected by parental drug and alcohol use.

- **Family Support Service:** This project provides holistic, whole family support to children, young people and families who are affected by parental drug and alcohol use.
- **Whole Family Approach PSP:** Circle lead on the PSP in West Lothian and have three posts funded through this partnership:
  - Pregnancy and Post Natal Service: two workers supporting families affected by substance use from pregnancy to two years postnatal.
  - Fathers Support offers a dedicated support to fathers and their children and families.
- **Wraparound Service:** This service aims to provide holistic support to children ages 5+, young people and their parents/carers, alongside an offer of one-to-one support for children. The service aims to build resilience, parenting capacity, and positive relationships to aid positive mental and emotional wellbeing.

Between April 2025 and March 2026, Circle provided outreach-based whole family support to 856 families, including 948 children and young people and 1013 adults of which 838 are parents/carers.

The increase in the number of families supported this year is partly due to the start of Upside and increase in capacity that service has provided. Upside also supports a number of individuals who are not parents/carers and this has resulted in the increase in support to adults. There has also been added capacity in the year in areas of support such as Pregnancy and Perinatal, with new workers in West Lothian and Clackmannanshire.

Achievements and performance

We are delighted to share the progress that we have made in the last year despite a sometimes-difficult operating environment.

We continue to work closely with and listen to children, young people and their families to respond to their needs. The ongoing cost of living crisis has impacted our families greatly and we continue to work with families to support them to find solutions and options. We have worked with different trusts and foundations to help deliver financial support to families with minimal delay, usually in the form of fuel, food and activities vouchers. The pressure on budgets, maintaining funding and finding new sources of funding is relentless. However, we have managed to secure new funding and maintain budgets over the last year, whilst planning for the loss of funding and an extremely competitive environment for reduced funds. Alongside the rest of the Third Sector, we struggle with annual awards rather than multi-year awards. Funding in this way presents difficulties in recruiting and retaining staff and therefore, providing consistent staff teams for families.

We continue to regularly gather feedback from families and professionals. Here are some examples:

Haven and Harbour:

Feedback from parent of child receiving sand play therapy:

- Words cannot begin to express my gratitude towards (worker) and the service that Circle has provided. I feel that (Worker's) input has rescued my little girl from the trauma that she has endured and has given me some tools in order to carry on the good work that has been done. To know that such a professional and caring person was keeping an eye on L while I navigated big decisions around her home life and her care, was extremely reassuring and opened doors to having difficult conversations around other adults in L's life, ensuring that support and care was consistent. Thank you so very much.

Feedback from a parent receiving family support:

- During a time that has been really difficult for our family, the kindness, understanding, and willingness to step in and help has lifted such a weight off my shoulders. It's not just the practical help – it's the feeling that someone cares and that we're not alone.
- Because of circle, things have felt a little lighter for us, and my kids have been able to keep some normality in their lives. I will always be truly grateful for the support they have shown our family. It has meant the world to us.

West Lothian:

- "I feel better supported here than by any service I used before."
- "If it wasn't for the worker, I'd be in a sewer drinking myself to death, instead I'm seeing my kids and going to appointments."
- "You're not weak if you say you need help, men are still scared, but we're changing that."
- "I'd have just sat in the house. Now I know I can come out and be safe."

East Lothian:

Quotes from parents:

- I can't thank you enough for helping me get started on the room. Megan and I tackled a load of paperwork that needed organising and I kept thinking how you'd just enabled me to make the start on it all without judgement. You give me space to think physically and emotionally, and I wanted you to know what a gift that's been. Hope you have a great week. X *Family member receiving peer support*
- If it wasn't for circle support, I don't know where it would be! My Worker has hung in with me when I had no one else and going through a stressful time. Things are much better between me and my daughter since using tools to help our relationship, though it took a while. Supporting me to speak to CAMHS about my daughter's support was a massive help. I didn't have the strength to do it on my own. *CAPSU mum who worked with Circle EL for 2 years.*

Anchor:
Feedback from Families

- "Having a circle worker has helped make meetings with the school less stressful and has helped make progress with kids and shown progress can be made and always a solution to any issues that may arise. Kids have really enjoyed circle group on a Tuesday." *(Anchor – Parent)*

- "We have tried so many services over the years to support my son because of his struggles, but nothing has ever truly worked for us. My son struggles with change and meeting new people, so it's always been difficult to find somewhere he feels safe and comfortable. When Circle became involved, everything changed. From the very first moment, I felt understood and accepted — I didn't feel judged or worried. The staff are professional, but in a way that feels human and real. They are approachable, they make mistakes, and they own them. If something isn't right, I can speak up, and they listen, adapt, and work with me without ever being offended. They genuinely care about what works for my family." (*Anchor – Parent)*

Between April 2024 and March 2025, Circle provided outreach-based whole family support to 601 families, including 849 children and young people and 695 parents.

The reduction in the number of families supported this year is largely due to posts being re-costed when vacancies arose, resulting in a lower overall full-time equivalent workforce and, consequently, reduced capacity across services. However, despite supporting fewer families, there has only been a minimal decrease in the total number of parents and children involved, reflecting the depth and reach of our whole-family approach.

Participation
Children, young people and their families remain at the heart of our work, we meaningfully engage with them throughout all the stages of our work, listening carefully and considering how best to implement any changes suggest where we can. Families are central to everything we do and we value all feedback, good or bad, and use it to continuously shape our services. If we can't do something we take the time to families and staff why this is the case.

Circle have co-produced a Participation Strategy with children and families which is available to read here:https://circle.scot/families/taking-part/

Circle, alongside children, young people and their families, have also developed a set of values that are core to the organisation, and that families communicated that they have experienced from Circle staff and services. These are: inclusion, empathy, commitment, empowerment and growth.

Fundraising
We managed to recruit two excellent staff members to the fundraising team and they are refreshing our strategy to reflect the changing fundraising landscape. The wider funding environment remains extremely challenging. However, although Circle was not successful with some Local Authority funding, they have managed to grow their funding levels from previous years attracting new awards during 2024/25 As we continue to work towards our vision for all children to be safe, happy, healthy and nurtured in a stable family environment which helps them to achieve their potential, we want to extend our sincere thanks to all of our funders who continue to support our work. We also want to thank everyone who took part in fundraising events and rose to the challenge throughout 2024/25 - thank you!

Trustees
Nickola Jones is our current Chair, resuming the role after being off on maternity leave. During this year Beata Burkinshaw stepped down from the board and all at Circle would like to thank her for all her help and support with he board over the last few years.

We will be recruiting new trustees over the next financial year and have a recruitment campaign ready to go.

Financial review
The Directors have continued to ensure that the organisation has a clear and robust approach to financial planning, income generation and financial control and the members of the Board and the Audit Group all play a major role in this. The Directors are satisfied with the financial performance for the year to 31 March 2026, particularly given the difficult financial context in which we continue to operate.

Investment Policy
The cash reserves of the organisation are held in interest bearing accounts and the directors keep this arrangement under regular review.

Principal Funding Sources
Circle's funding is made up from Local Authority grants, Scottish Government, University payments for student placements and trust and foundations offering one-to-three-year awards.

Finance and fundraising risk management
Circle have procedures, structures and tools in place to closely monitor income and expenditure. These include the following:
• Monthly Budget and Fundraising meeting
• Board Finance and Fundraising Sub-Committee
• Income Risk Register

Current income streams risk assessment

Restricted Income
The majority of Circle's income is restricted and from statutory sources and given to carry out particular projects, or pieces of work, over defined time periods. This includes the Haven Project, West Lothian Project, Harbour Project, East Lothian Project, Shine Project and some smaller discreet pieces of work.

Unrestricted Income
During the course of the year Circle will be in receipt of unrestricted income from different sources including individual trusts, donors and fundraising activities. This unrestricted funding allows us to manage the funding for charitable activities and core costs. This comes from a range of sources including charitable trusts, individual donors and fundraising events. In 2025/26 this amounted to 6.4% of Circle's total income. This money is normally used for discretionary charitable activities and core cost funding.

Reserves Policy
The Directors' long-term aim is to ensure the charity builds up general funds equivalent to three months' running expenses for the total organisation. At current levels of activity that is equivalent to £650,014. The Directors consider this level of reserves is one which is prudent considering the level and extent of risk associated with funding streams which the charity is required to manage. The total unrestricted reserves, including designated reserves of £772,261 exceeds the target figure by £122,259. The total reserves figure at 31 March 2026 is £921,589.

Pension Fund
The Directors are aware of the potential costs and liabilities associated with its pension fund arrangements and have kept this under constant review over the past few years. The Directors consider it essential to maintain a close focus on the impact of continued deficits in the pension fund on the balance sheet and costs of the organisation.

Principal risks and uncertainties

The Directors have a risk management strategy in place and the risk assessment process and risk register are designed to record the significant risks the charity faces, to allocate responsibility for their mitigation along with associated management actions and timescales, and to record management processes designed to minimise risks. Circle have a range of key policies in place which include HR, Health & Safety, Finance and Professional Practice. These are regularly reviewed with our HR & Employment Law advisors and the Board. It is recognised that in pursuit of our normal activities we may choose to accept some risks and it is the responsibility of management to identify, report and control these risks. Finance and fundraising is the biggest risk faced by the organisation and a finance and fundraising strategy has been developed to address this. The risk register is reviewed twice a year by the Directors.

There are a number of major risks faced by the charity in the current uncertain financial climate. The principal risk and uncertainty faced by the charity relates to ongoing funding. The Directors keep the position under constant review; where funding sources look likely to end we take action to mitigate the impact, including making redundancies where required. We are also constantly seeking to investigate new sources of funding. Other risks that are reviewed by the Directors on a regular basis include:

- Operational risks
- Development and planning risks
- Finance and fundraising risks
- Legal risks

Plans for future periods

Circle plan to continue the activities outlined above in the forthcoming year subject to satisfactory funding arrangements. When funding opportunities become available, we will review them in line with our values, set by our children, young people and their families, and against our strategy and vision.

Structure, governance and management

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association dated 10 February 2006 (revised July 2014). It is registered as a Scottish charity with OSCR. The Board is the governing body of Family Service Unit Scotland. The members of the Board are both Directors of the Company and trustees of the charity. Family Service Unit Scotland is known as Circle.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Nickola Jones Chair
Stephanie Knight Treasurer (Appointed 23 February 2026)
Garry Luke
Helen McCann
Louise Dickson
Ashley Goodfellow Vice Chair
Rebecca Cropper (Resigned 10 February 2026)
Lynn Paterson (Appointed 28 July 2025)
Raymond Wales (Appointed 13 April 2026)
Emma Brown (Appointed 13 April 2026)
Beata Burkinshaw (Resigned 28 July 2025)

Company Secretary and Chief Executive
Kirsten Adamson

Registered Office and Operating Address
18 West Pilton park
Edinburgh
EH4 4EJ

Auditors
Thomson Cooper
3 Castle Court
Carnegie Campus
Dunfermline
Fife
KY11 8PB

Appointment of Directors
As set out in the Articles of Association at an Annual General Meeting the Company may by ordinary resolution (subject to Article 79) appoint or reappoint as an elected Director any member in respect of whom a written notice of willingness has been received in compliance with Article 76.

Director induction and training
New Directors undergo an induction process to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision-making processes, the business plan and recent financial performance of the charity. During induction they meet other Directors and key employees. Directors are encouraged to attend appropriate internal and external training events to facilitate the undertaking of their role.

Statement of trustees' responsibilities
The trustees, who are also the directors of Family Service Unit Scotland Known as Circle for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Auditor

Thomson Cooper were appointed as auditor to the company and a resolution proposing that they be re-appointed 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.

Nickola Jones, Chair
Trustee

5 October 2026

FAMILY SERVICE UNIT SCOTLAND KNOWN AS CIRCLE
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF FAMILY SERVICE UNIT SCOTLAND KNOWN AS CIRCLE

Opinion

We have audited the financial statements of Family Service Unit Scotland Known as Circle (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 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 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.

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 grant income and the posting of transactions to the correct funds. We discussed these risks with management, designed audit procedures to test the timing and existence of donations and grant income, including reviewing of grant paperwork and terms and conditions, reviewing the allocation of costs against the correct funding and reviewed areas of judgement for indicators of management bias.

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 financial and taxation legislation 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 company.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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.

Other matters

We were engaged to audit the financial statements of Family Service Unit Scotland known as Circle for the year ended 31 March 2026. The financial statements for the year ended 31 March 2025 were audited by Whitelaw Wells, and accordingly we do not express an opinion on those financial statements.

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.

Fiona Haro (Senior Statutory Auditor)
For and on behalf of Thomson Cooper, Statutory Auditor
Dunfermline
6 October 2026

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.

FAMILY SERVICE UNIT SCOTLAND KNOWN AS CIRCLE
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2026

Current financial year	Notes	Unrestricted funds 2026 £	Designated funds 2026 £	Restricted funds general 2026 £	Total 2026 £	Total 2025 £
Income from:						
Donations and legacies	**2**	158,996	-	17,781	176,777	128,409
Charitable activities	**3**	-	-	2,506,933	2,506,933	2,352,384
Investments	**4**	14,920	-	-	14,920	12,062
Total income		173,916	-	2,524,714	2,698,630	2,492,855
Expenditure on:						
Raising funds	**5**	34,383	-	-	34,383	25,915
Charitable activities	**6**	2,201	-	2,563,472	2,565,673	2,691,407
Total expenditure		36,584	-	2,563,472	2,600,056	2,717,322
Net income/(expenditure)		137,332	-	(38,758)	98,574	(224,467)
Transfers between funds		(99,556)	-	99,556	-	-
Other recognised gains and losses:						
Actuarial losses on defined benefit pension schemes		(13)	-	-	(13)	(39)
Net movement in funds	**8**	37,763	-	60,798	98,561	(224,506)
Reconciliation of funds:						
Fund balances at 1 April 2025		364,498	370,000	88,530	823,028	1,047,534
Fund balances at 31 March 2026		402,261	370,000	149,328	921,589	823,028

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

FAMILY SERVICE UNIT SCOTLAND KNOWN AS CIRCLE
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2026

Prior financial year	Notes	Unrestricted funds 2025 £	Restricted funds Designated 2025 £	Restricted funds general 2025 £	Total 2025 £
Income from:					
Donations and legacies	**2**	124,023	-	4,386	128,409
Charitable activities	**3**	43,000	-	2,309,384	2,352,384
Investments	**4**	12,062	-	-	12,062
Total income		179,085	-	2,313,770	2,492,855
Expenditure on:					
Raising funds	**5**	25,915	-	-	25,915
Charitable activities	**6**	3,602	-	2,687,805	2,691,407
Total expenditure		29,517	-	2,687,805	2,717,322
Net income/(expenditure)		149,568	-	(374,035)	(224,467)
Transfers between funds		(128,650)	-	128,650	-
Other recognised gains and losses:					
Actuarial losses on defined benefit pension schemes		(39)	-	-	(39)
Net movement in funds	**8**	20,879	-	(245,385)	(224,506)
Reconciliation of funds:					
Fund balances at 1 April 2024		343,619	370,000	333,915	1,047,534
Fund balances at 31 March 2025		364,498	370,000	88,530	823,028

FAMILY SERVICE UNIT SCOTLAND KNOWN AS CIRCLE
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026		2025 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	**12**		17,077		41,399
Current assets					
Debtors	**13**	433,243		372,850	
Cash at bank and in hand		877,673		698,308	
		1,310,916		1,071,158	
Creditors: amounts falling due within one year	**14**	(374,140)		(227,467)	
Net current assets			936,776		843,691
Total assets less current liabilities			953,853		885,090
Defined benefit pension liability	**16**		(32,264)		(62,062)
Net assets			921,589		823,028
The funds of the charity					
Restricted income funds - general	**17**		149,328		88,530
Restricted income funds - Designated	**18**		370,000		370,000
Unrestricted funds	**19**		402,261		364,498
			921,589		823,028

The financial statements were approved by the trustees on 5 October 2026

Nickola Jones, Chair
Trustee

FAMILY SERVICE UNIT SCOTLAND KNOWN AS CIRCLE
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**23**		164,445		(66,275)
Investing activities					
Purchase of tangible fixed assets		-		(27,678)	
Investment income received		14,920		12,062	
Net cash generated from/(used in) investing activities			14,920		(15,616)
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			179,365		(81,891)
Cash and cash equivalents at beginning of year			698,308		780,199
Cash and cash equivalents at end of year			877,673		698,308

1 Accounting policies

Charity information

Family Service Unit Scotland Known as Circle is a private company limited by guarantee incorporated in Scotland. The registered office is 18 West Pilton Park, Edinburgh, EH4 4EJ.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by 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 have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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 the next twelve months. Thus 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.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33.3% Straight Line
Telephone & network	10% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

All fixed assets over £500 are initially capitalised at cost, plus any incidental costs of acquisition.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 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.

1.11 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

1 Accounting policies **(Continued)**

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

2 Income from donations and legacies

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Donations and gifts	158,996	17,781	176,777	124,023	4,386	128,409

3 Income from charitable activities

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Grants	-	2,506,933	2,506,933	43,000	2,309,384	2,352,384

Performance related grants analysis - Restricted funds

	2026 £	2025 £
Support for families in the early years	279,216	346,846
Support for families with children affected by substance abuse	1,199,165	1,231,372
Support for families with children affected by parental imprisonment	955,052	657,666
Developmental Activities	73,500	73,500
	2,506,933	2,309,384

4 Income from investments

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Interest receivable	14,920	12,062

5 Expenditure on raising funds

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Fundraising and publicity		
Other fundraising costs	34,383	25,915

6 Expenditure on charitable activities

	Support early years 2026 £	Support substance abuse 2026 £	Support parental imprisonment 2026 £	Development activities 2026 £	Total 2026 £
Direct costs					
Staff costs	213,101	872,254	692,794	38,250	1,816,399
Depreciation	2,914	11,864	9,544	-	24,322
Direct Costs	8,677	215,917	177,387	21,321	423,302
	224,692	1,100,035	879,725	59,571	2,264,023
Share of support and governance costs (see note 7)					
Support	35,486	133,641	116,485	5,201	290,813
Governance	1,383	4,211	5,051	192	10,837
	261,561	1,237,887	1,001,261	64,964	2,565,673
Analysis by fund					
Unrestricted funds	2,201	-	-	-	2,201
Restricted funds - general	259,360	1,237,887	1,001,261	64,964	2,563,472
	261,561	1,237,887	1,001,261	64,964	2,565,673

6 Expenditure on charitable activities **(Continued)**

Previous year:	Support early years	Support substance abuse	Support parental imprisonment	Development activities	Total
	2025	2025	2025	2025	2025
	£	£	£	£	£
Direct costs					
Staff costs	247,833	957,625	513,440	81,477	1,800,375
Depreciation	2,698	14,883	7,551	768	25,900
Direct Costs	40,328	355,187	157,265	30,312	583,092
	290,859	1,327,695	678,256	112,557	2,409,367
Share of support and governance costs (see note 7)					
Support	37,444	146,476	76,630	11,975	272,525
Governance	1,008	5,500	2,679	328	9,515
	329,311	1,479,671	757,565	124,860	2,691,407
Analysis by fund					
Unrestricted funds	487	1,945	1,015	155	3,602
Restricted funds - general	328,824	1,477,726	756,550	124,705	2,687,805
	329,311	1,479,671	757,565	124,860	2,691,407

7 Support costs allocated to activities

		2026	2025
		£	£
	Basis of allocation		
Staff costs	*Direct*	290,813	268,922
General support costs	*Direct*	-	3,603
Governance costs	*Direct*	10,837	9,515
		301,650	282,040
Analysed between:			
Support early years		36,869	38,452
Support substance abuse		137,852	151,976
Support parental imprisonment		121,536	79,309
Development activities		5,393	12,303
		301,650	282,040

7 Support costs allocated to activities **(Continued)**

Governance costs comprise:	2026 £	2025 £
Audit fees	10,560	9,515
Legal and professional	277	-
	10,837	9,515

8 Net movement in funds

	2026 £	2025 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	10,560	9,515
Depreciation of owned tangible fixed assets	24,322	25,900

9 Trustees

The Directors gave their services voluntarily and received no remuneration in their capacity as trustees. No director received reimbursements in 2026 (2025: £74) for travel, accommodation and subsistence expenses during the year. In 2026, three directors (2025: three directors) received remuneration as tutors and supervisors, payments authorised by the management committee and out with their roles as trustees totalling £10,977 (2025: £15,411).

10 Employees

The average monthly number of employees during the year was:

	2026 Number	2025 Number
Chief Executive	1	1
Project Managers	5	9
Family Outreach Workers	50	48
Administration staff	5	6
Total	61	64

Employment costs	2026 £	2025 £
Wages and salaries	1,769,068	1,764,183
Social security costs	201,259	163,809
Other pension costs	136,885	141,305
	2,107,212	2,069,297

10 Employees **(Continued)**

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2026 Number	2025 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-

Remuneration of key management personnel

The key management personnel of the charitable company comprise the Directors and the Chief Executive. The total employee benefits of the key management personnel of the charitable company during the year, including employer's National Insurance contributions, were £83,012 (2025: £77,696).

	2026 £	2025 £
Aggregate compensation	83,012	77,696

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Computers £
Cost	
At 1 April 2025	93,409
Disposals	(2,410)
At 31 March 2026	90,999
Depreciation and impairment	
At 1 April 2025	52,010
Depreciation charged in the year	24,322
Eliminated in respect of disposals	(2,410)
At 31 March 2026	73,922
Carrying amount	
At 31 March 2026	17,077
At 31 March 2025	41,399

13 Debtors

	2026	2025
Amounts falling due within one year:	**£**	**£**
Trade debtors	290,334	287,701
Other debtors	31,670	75,365
Prepayments and accrued income	111,239	9,784
	433,243	372,850

14 Creditors: amounts falling due within one year

	Notes	2026	2025
		£	**£**
Other taxation and social security		40,346	35,713
Deferred income	**15**	232,612	95,283
Trade creditors		34,220	42,692
Other creditors		32,491	9,435
Accruals		34,471	44,344
		374,140	227,467

15 Deferred income

	2026	2025
	£	**£**
Other deferred income	232,612	95,283

Deferred income is included in the financial statements as follows:

	2026	2025
	£	**£**
Deferred income is included within:		
Current liabilities	232,612	95,283
Movements in the year:		
Deferred income at 1 April 2025	95,283	202,106
Released from previous periods	(95,283)	(131,823)
Resources deferred in the year	232,612	25,000
Deferred income at 31 March 2026	232,612	95,283

16 Retirement benefit schemes

Defined contribution schemes	2026 £	2025 £
Charge to profit or loss in respect of defined contribution schemes	136,885	141,305

From 1st April 2015 Circle made arrangements for staff to be enrolled in a defined contribution scheme offered by Royal London, this scheme is also used for the auto enrolment arrangements which Circle were required to offer from 1st April 2015.

Defined benefit schemes

Up until 31 March 2015, Circle participated in the TPT Retirement Solutions CARE Pension Scheme (the Scheme), a multi-employer defined benefit pension scheme which provides benefits to a number of non-associated employers.

It is not possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme. Therefore the charity accounts for the Scheme as if it were a defined contribution scheme.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004. This, together with documents issued by The Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, sets out the framework for funding defined benefit occupational pension schemes in the UK.

The Scheme is classified as a 'last-man-standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the Scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

A full actuarial valuation of the Scheme was carried out at 30 September 2022. This valuation showed assets of £49.6 million, liabilities of £57.1 million and a deficit of £7.5 million.

To eliminate this funding shortfall, the Trustee required participating employers to pay additional deficit contributions of £1,672,000 per annum from 1 April 2024 to 31 March 2027, payable monthly and increasing by 3% on 1 April each year.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Scheme liabilities.

Where the Scheme is in deficit and the charity has entered into a deficit funding arrangement, the charity recognises a liability for this obligation. The liability recognised represents the present value of the agreed deficit recovery contributions payable. The present value is calculated using the discount rate disclosed below. The unwinding of the discount rate is recognised as a finance cost.

Key assumptions

	2026 %	2025 %
Discount rate	4.79	4.88

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

16 Retirement benefit schemes **(Continued)**

Amounts recognised in the statement of financial position	**2026**	**2025**
Costs/(income):	**£**	**£**
Net interest on defined benefit liability	2,189	3,603

Amounts recognised in other comprehensive income	**2026**	**2025**
Costs/(income):	**£**	**£**
Remeasurements	13	-

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2026	**2025**
Liabilities/(assets):	**£**	**£**
Present value of defined benefit obligations	32,264	62,062

	2026	**2025**
	£	**£**
Liabilities at 1 April 2025	62,062	89,488
Actuarial gains and losses	13	39
Interest cost	2,189	3,603
Deficit contribution paid	(32,000)	(31,068)
At 31 March 2026	32,264	62,062

The prior year pension liability has been restated to show as a total defined benefit pension liability in long term creditors instead of split between short and long term creditors. This has no effect on the results of the charity and only effects disclosure.

17 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.

	At 1 April 2025	Incoming resources	Resources expended	Transfers	At 31 March 2026
	£	£	£	£	£
West Lothian	-	339,410	(348,688)	9,278	-
Harbour	16,333	387,873	(410,365)	6,159	-
Haven	16,236	259,447	(296,661)	20,978	-
Practice Teaching	-	590	-	-	590
Anchor	-	313,722	(376,863)	63,141	-
East Lothian	4,386	533,588	(468,968)	-	69,006
Infrastructure	51,575	91,805	(64,950)	-	78,430
Upside	-	598,279	(596,977)	-	1,302
	88,530	2,524,714	(2,563,472)	99,556	149,328

Previous year:	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
West Lothian	477	241,998	(293,722)	51,247	-
Harbour	108,596	584,919	(677,182)	-	16,333
Haven	-	331,566	(315,330)	-	16,236
Practice Teaching	-	15,280	(22,002)	6,722	-
Anchor	21,273	661,917	(753,871)	70,681	-
East Lothian	101,117	404,590	(501,321)	-	4,386
Infrastructure	102,452	73,500	(124,377)	-	51,575
	333,915	2,313,770	(2,687,805)	128,650	88,530

17 Restricted funds **(Continued)**

West Lothian - Supports families with children who are affected by parental drug and alcohol use living in West Lothian. A transfer from unrestricted reserves of £9,278 was made to cover the fund's deficit in 2025/26.

Harbour - Supports families with children affected by parental drug and alcohol use and young people who are using substances living in Edinburgh.

Haven - Supports children and families in the North Edinburgh area, this includes whole family support, groups for parents and crèches for families with children under five; individual and group support to children who may have experienced school-based difficulties and after school activities.

Practice Teaching - Provides placements to universities for their social work students.

Anchor - Supports women who are mothers with children affected by parental drug and alcohol use and who are on remand or serving a sentence and will be returning to their families and communities in North and South Lanarkshire, Fife and Forth Valley and Tayside. A transfer from unrestricted reserves of £63,141 was made to cover the fund's deficit in 2025/26.

East Lothian - Supports families with children who are affected by parental drug and alcohol use living in East Lothian.

Infrastructure - This fund consists of funds received specifically to develop aspects of Circle's management infrastructure such as development of the client database, ensuring all systems, policies and procedures are continually monitored and updated as necessary, researching and developing practice and increasing participation.

Upside - This fund is restricted to the provision of throughcare, resettlement and reintegration support for people leaving custody across Scotland and may only be applied to eligible expenditure in accordance with the grant conditions.

18 Designated funds

These are designated funds which are material to the charity's activities.

	At 1 April 2025 £	At 31 March 2026 £
One Month Direct Cost Provision	200,000	200,000
Redundancy re No Grant Funding	70,000	70,000
Gap Funding	100,000	100,000
	370,000	370,000

Previous year:	At 1 April 2024 £	At 31 March 2025 £
Gap Funds	100,000	100,000
One Month Direct Costs	200,000	200,000
Redundancy	70,000	70,000
	370,000	370,000

Designated funds represent amounts set aside by the Trustees from unrestricted reserves for specific future purposes. These designations do not create legal obligations but reflect the Trustees' intention to retain resources to support the long-term financial resilience and sustainability of the charity.

The Trustees review the level and appropriateness of designated reserves annually as part of the charity's financial planning and reserves monitoring process.

Gap Funding
The Gap Funding Reserve has been established to support the continuation of services during periods between the end of one funding agreement and the commencement of replacement funding. The reserve provides flexibility to maintain staffing and service delivery while funding applications are progressed and funding decisions are confirmed.

One Month Direct Costs
This fund has been established to provide financial stability in the event of unexpected interruptions to income streams or delays in funding receipts. The designation is intended to cover approximately one month of the charity's direct operating costs and enable services to continue while alternative funding arrangements are secured.

Redundancy
The Trustees have designated funds to meet potential redundancy and related employment costs that may arise where services are dependent upon short-term grant funding. The fund provides a degree of protection against the financial impact of project closure or non-renewal of funding agreements and helps ensure that the charity can meet its obligations to employees.

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used.

	At 1 April 2025	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2026
	£	£	£	£	£	£
General funds	364,498	173,916	(36,584)	(99,556)	(13)	402,261

Previous year:	At 1 April 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2025
	£	£	£	£	£	£
General funds	343,619	179,085	(29,517)	(128,650)	(39)	364,498

20 Analysis of net assets between funds

	Unrestricted funds 2026	Designated funds 2026	Restricted funds 2026	Total 2026
	£	£	£	£
At 31 March 2026:				
Tangible assets	-	-	17,077	17,077
Current assets/(liabilities)	434,525	370,000	132,251	936,776
Provisions and pensions	(32,264)	-	-	(32,264)
	402,261	370,000	149,328	921,589

	Unrestricted funds 2025	Designated funds 2025	Restricted funds 2025	Total 2025
	£	£	£	£
At 31 March 2025:				
Tangible assets	-	-	41,399	41,399
Current assets/(liabilities)	426,560	370,000	47,131	843,691
Provisions and pensions	(62,062)	-	-	(62,062)
	364,498	370,000	88,530	823,028

21 Operating lease commitments

Lessee
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	912	6,108
Between two and five years	-	912
	912	7,020

22 Related party transactions

There were no disclosable related party transactions during the year (2025 - none).

23 Cash generated from/(absorbed by) operations

	2026 £	2025 £
Surplus/(deficit) for the year	98,574	(224,467)
Adjustments for:		
Investment income recognised in statement of financial activities	(14,920)	(12,062)
Depreciation and impairment of tangible fixed assets	24,322	25,900
Difference between pension charge and cash contributions	(29,811)	(27,465)
Movements in working capital:		
(Increase)/decrease in debtors	(60,393)	269,477
Increase in creditors	9,344	9,165
Increase/(decrease) in deferred income	137,329	(106,823)
Cash generated from/(absorbed by) operations	164,445	(66,275)