Company registration number: SC477402 (Scotland)

Charity registration number: SC044836

Braveheart Industries

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2026

Braveheart Industries

Contents

Braveheart Industries

Reference and Administrative Details

Trustees	Professor B Weaver V A Binnie K P Rosser Dr F Gillon
Charity Registration Number	SC044836
Company Registration Number	SC477402 (Scotland)
	The charity is incorporated in Scotland.
Registered Office	Braveheart Industries C/O Borders Community Action 1 Drygrange Cottages Melrose Scottish Borders TD6 9DJ
Independent Examiner	David Campbell Deans Accountants and Business Advisors Ltd 27 North Bridge Street Hawick TD9 9BD

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2026.

Objectives and activities

Objects and aims

Braveheart Industries exists to challenge social inclusion, breaking the cycle of offending and developing pathways to employability. The charitable company started with a basic premise: if those leaving prison and those with criminal convictions can engage successfully with our service, then reoffending will fall. Many young people in areas of multiple deprivation across Scotland fall into crime and offending behaviour patterns too easily and too often in their teenage years.

Braveheart Industries continues to create social businesses, providing job training and career development as well as comprehensive services for those seeking a path away from violence. Braveheart will assertively confront immediate needs such as employment, while simultaneously addressing underlying mental health/substance abuse issues and the lack of education that results in worklessness.

Much of our work has been within Glasgow, but Braveheart Industries aims to grow into other local authorities and eventually work across Scotland. Delivering change through social enterprises, campaigning, and access to support services for the people of Scotland.

The vision for Braveheart Industries is to contribute to an inclusive and flourishing Scotland, developing opportunities for all. Braveheart Industries is breaking cycles of exclusion by creating pathways from crisis to contribution by:

- Establishing a network of businesses to effect social change
- Providing a supported pathway to employment, through direct work experience, training and job progression
- Supporting desistance and social integration
- Creating healthier communities through reduction in harm associated with offending behaviour
- Breaking the inter-generational cycle of violence and reduce the number of victims of violence
- Improving public safety, perceptions and confidence
- Contributing towards local economic development

This will be achieved through a combination of social and enterprise activities that gather momentum to spread the approach and create lasting change. This change will occur in communities across Scotland and start in communities that face the toughest persistent challenges, notably Glasgow. These enterprises will then be rolled out and scaled up to embrace other locations alongside other new enterprises that meet the needs and opportunities across the country.

Financial review

The last year has been particularly complex. A strong strategic development plan for the navigator programme was implemented, with significant funding bids submitted to the Glasgow Community Fund, the Big Lottery, and Cashback for Communities, alongside smaller planned developments through community justice partnerships. Unfortunately, these bids were unsuccessful, and the navigator programme was brought to a close at the end of the year, with all associated liabilities settled at that time.

Efforts continued to secure funding for the development of the planned renewable energy enterprises. However, although bids were submitted, it became clear that the funding landscape was increasingly complex, highlighting the need to revise and adapt our plans for the future.

Following a thorough process of re-evaluation, it was agreed that a change in legal status should be undertaken to support the organisation’s future and to modernise its governance and operational processes. An application to transition to a single-tier SCIO has now been prepared and is ready for submission.

Policy on reserves

The charities policy is to hold a level of free unrestricted reserves approximately equal to 3 months operating costs.

Investment policy and objectives

The companies income derives either from specific grants, donations or charitable activities. Most of our funds are spent in the short to medium term, leaving little scope for long term investment.

Plans for future periods

Aims and key objectives for future periods

The focus for the coming year will be built around the planned renewables social enterprise. With support from Community Enterprise Scotland, a revised plan for a pilot based programme has been designed, alongside the full scale model outlined in the previous year.

The organisation will no longer retain its Glasgow base following the unsuccessful bid to the Community Fund in 2025. The demands on urban funding have placed Braveheart at a disadvantage, and future redevelopment will therefore be based rurally across the South of Scotland, with a transfer of the registered office to take place as part of the structural change.

With funding for an economic development project that incorporates macroeconomic decision making and creates new opportunities for the coming years, additional work is planned to support the development of entrepreneurial skills for those from the justice sector as part of delivery under Release Scotland.

Regrettably, these plans do not include a reopening of the Navigator programme in the immediate term; however, the longer term diversification of delivery is expected to support a return in the medium to long term.

Structure, governance and management

Nature of governing document

The charity was governed during the year by its Memorandum and Articles of Association, as adopted on 12 May 2016.

Induction and training of trustees

Members of the charity can self-nominate another member to stand for election of the board. Board members are then elected at the company's annual general meeting.

Organisational structure

The charitable company is led by the Board of Directors, who are elected by a ballot of members at a Board Meeting. All members of Braveheart Industries are eligible to stand for election to the Board within the rules laid down in the Memorandum and Articles of Association.

Braveheart Industries is registered as a private company limited by guarantee with charitable status. The company has been created following the work of a Steering Group set up in 2013 to develop the project concept, research and draft proposals as well as providing leadership, direction, ideas and resources in kind. Braveheart Industries has three directors with detailed experience of this type of activity working with the target client group. The directors are all volunteers and fulfil non-executive roles.

As the charity develops each project, opportunities will evolve for participants individual progression both within and beyond the Braveheart training programme. This progression will derive from partnership links with other organisations including Skills Development Scotland and employers in the public, private and charitable sectors and the board will look to strengthen these pathways through partnership working.

Major risks and management of those risks

Risk management
The charitable company has a full set of policies in place and a complete Governance Manual. These cover areas including risk registers, induction pack, fraud and corruption statements, conflicts of interest, training and development plans, approvals, service agreements, financial reporting and performance monitoring.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.
Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.
The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.
The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.
The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.
Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Disclosure of information to auditor
Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Small companies provision statement
This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 28 May 2026 and signed on its behalf by:

....
K P Rosser
Trustee

Independent Examiner's Report to the trustees of Braveheart Industries ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2026.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act'). You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 44 (1) (c) of the 2005 Act. In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended)..

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of ICAS, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulation; or
2. the accounts do not accord with those records and comply with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

....
David Campbell
Deans Accountants and Business Advisors Ltd
ICAS

27 North Bridge Street
Hawick
TD9 9BD

Date:............................

Statement of Financial Activities for the Year Ended 31 March 2026 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2026 £
Income and Endowments from:			
Charitable activities	3	17,000	17,000
Investment income	4	1,318	1,318
Total income		18,318	18,318
Expenditure on:			
Charitable activities	5	(105,614)	(105,614)
Total expenditure		(105,614)	(105,614)
Net expenditure		(87,296)	(87,296)
Net movement in funds		(87,296)	(87,296)
Reconciliation of funds			
Total funds brought forward		138,960	138,960
Total funds carried forward	16	51,664	51,664

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £
Income and Endowments from:				
Charitable activities	3	47,594	147,707	195,301
Investment income	4	2,020	-	2,020
Other income		218	-	218
Total income		49,832	147,707	197,539
Expenditure on:				
Charitable activities	5	(53,574)	(147,707)	(201,281)
Total expenditure		(53,574)	(147,707)	(201,281)
Net expenditure		(3,742)	-	(3,742)
Net movement in funds		(3,742)	-	(3,742)
Reconciliation of funds				
Total funds brought forward		142,702	-	142,702
Total funds carried forward	16	138,960	-	138,960

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2025 is shown in note 16.

Braveheart Industries

(Registration number: SC477402 (Scotland))
Balance Sheet as at 31 March 2026

	Note	2026 £	2025 £
Fixed assets			
Tangible assets	12	395	933
Current assets			
Debtors	13	1,063	1,415
Cash at bank and in hand	14	52,870	142,971
		53,933	144,386
Creditors: Amounts falling due within one year	15	(2,664)	(6,359)
Net current assets		51,269	138,027
Net assets		51,664	138,960
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		51,664	138,960
Total funds	16	51,664	138,960

For the financial year ending 31 March 2026 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on 28 May 2026 and signed on their behalf by:

....

K P Rosser
Trustee

1 Charity status

The charity is limited by guarantee, incorporated in Scotland, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Braveheart Industries
C/O Borders Community Action
1 Drygrange Cottages
Melrose
Scottish Borders
TD6 9DJ

These financial statements were authorised for issue by the trustees on 28 May 2026.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
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 October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation
Braveheart Industries meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in Sterling (£) and rounded to the nearest £0

Going concern
The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement
The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

Expenditure
All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

3 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Grants	17,000	-	17,000
Total for 2026	17,000	-	17,000
Total for 2025	47,594	147,707	195,301

4 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income;		
Interest receivable on bank deposits	1,318	1,318
Total for 2026	1,318	1,318
Total for 2025	2,020	2,020

5 Expenditure on charitable activities

	Activity undertaken directly £	Total expenditure £
Employment Costs	90,050	90,050
Insurance	1,415	1,415
Staff Training	367	367
Travel and subsistence	1,217	1,217
Telephone	1,111	1,111
Trade subscriptions	2,506	2,506
Legal and professional fees	3,060	3,060
Bank charges	113	113
Redundancy	4,709	4,709
Depreciation of Fixtures and fittings	538	538
Total for 2026	105,086	105,086
Total for 2025	201,281	201,281

In addition to the expenditure analysed above, there are also governance costs of £528 (2025 - £1,034) which relate directly to charitable activities. See note 6 for further details.

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	500	500
Other governance costs	28	28
Total for 2026	528	528
Total for 2025	1,034	1,034

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2026 £	2025 £
Depreciation of fixed assets	538	531

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2026 £	2025 £
Staff costs during the year were:		
Wages and salaries	76,837	162,988
Social security costs	11,109	15,965
Pension costs	2,104	3,963
Other staff costs	6,293	6,204
	96,343	189,120

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2026 No	2025 No
Charity Workers	3	5

3 (2025 - 5) of the above employees participated in the Defined Contribution Pension Schemes.

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

10 Independent examiner's remuneration

	2026 £	2025 £
Examination of the financial statements	500	500

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 April 2025	3,395	3,395
At 31 March 2026	3,395	3,395
Depreciation		
At 1 April 2025	2,462	2,462
Charge for the year	538	538
At 31 March 2026	3,000	3,000
Net book value		
At 31 March 2026	395	395
At 31 March 2025	933	933

13 Debtors

	2026 £	2025 £
Prepayments	1,063	1,415

14 Cash and cash equivalents

	2026 £	2025 £
Cash at bank	52,870	142,971

15 Creditors: amounts falling due within one year

	2026 £	2025 £
Trade creditors	179	256
Other taxation and social security	1,732	3,252
VAT grant repayable	(143)	1,654
Other creditors	396	697
Accruals	500	500
	2,664	6,359

16 Funds

	Balance at 1 April 2025 £	Incoming resources £	Resources expended £	Balance at 31 March 2026 £
Unrestricted funds				
General				
General	138,960	18,318	(105,614)	51,664

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
Unrestricted funds				
General				
General	142,702	49,832	(53,574)	138,960
Restricted				
Restricted	-	147,707	(147,707)	-
Total funds	142,702	197,539	(201,281)	138,960

17 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 March 2026 £
Tangible fixed assets	395	395
Current assets	53,933	53,933
Current liabilities	(2,664)	(2,664)
Total net assets	51,664	51,664

	Unrestricted funds General £	Total funds at 31 March 2025 £
Tangible fixed assets	933	933
Current assets	144,386	144,386
Current liabilities	(6,359)	(6,359)
Total net assets	138,960	138,960