

Cover note to the statutory accounts for the year ended 31st March 2026

About the Group and Charity figures

The statutory accounts present both the consolidated results of the Inspiring Scotland Group and the individual results of Inspiring Scotland as the parent Charity. The Group accounts combine the financial position and activities of Inspiring Scotland with those of its subsidiary, Willow Den Scotland Ltd. The Charity-only figures relate solely to Inspiring Scotland.

This cover note focuses on the Charity-only results, as these provide the clearest view of the funds and cash held directly by the Charity.

Understanding the Charity-only results

80%, £8.9 million of total Charity funds, are restricted for specified charitable purposes and are not available for general use.

As at 31st March 2026, Inspiring Scotland reported total funds of £11.2 million. These comprise of £8.9 million of restricted funds and £2.3 million of unrestricted funds.

Restricted funds may only be used for the purposes specified by the relevant donors and grant-makers and therefore do not represent reserves that the Charity can freely direct to its general activities.

The high restricted balance largely reflects the timing of receipts and expenditure on approved programmes. The accounts explain that significant restricted balances are not surplus to requirements and will be applied in accordance with approved project plans. The Trustee's report states that the cumulated £8.9 million of restricted funds is expected to be used over the next financial year.

Why the Charity cash balance is high

95%, £7.2 million, of the year on year increase in cash balances held is a result of increased restricted funding.

The Charity held £10.9 million of cash at 31st March 2026, compared with £3.3 million the prior year end. This cash balance should not be interpreted as freely available.

A substantial proportion represents restricted programme funding received before the related grants and other programme expenditure fall due. For example, the year end restricted fund balances include £4.7 million for the Changing Places Scotland Toilets Fund and £1.5 million for the Improving Access Fund. Those amounts are held for specific purposes and will be spent as the relevant programmes progress.

Charity Registration No. SC039605 (Scotland)
Company Registration No. SC342436 (Scotland)

**REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 MARCH 2026**

INSPIRING SCOTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees

A Sinclair Dunlop (Chair)
Emma Congreve
Lucy Graham
Scott Guild
Joe McGrane (resigned June 25)
Dona Milne
Annemarie O'Donnell
Joyce White

Company Secretary

Susan Irvine

Audit and Risk Committee

Joyce White (Chair)
Scott Guild (Appointed Sep 25)
Annemarie O'Donnell
Richard Sweetman, independent member (resigned Sep 25)

Executive Management Team

Celia Tennant
Julia Abel
Kaylie Allen
Erica Judge
Susan Irvine

Chief Executive
Director of Funds
Director of Funds
Director of Funds
Finance Director

Company Number

SC342436

Charity Number (Scotland)

SC039605

Registered Office

Suite 2
14 New Mart Road
Edinburgh
EH14 1RL

Auditor

RSM UK Audit LLP
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

Bankers

Bank of Scotland plc
Commercial Banking
PO Box 2000
BX2 1LB

Santander UK plc
The Capital Building
12-13 St Andrew Square
Edinburgh
EH2 2AF

Solicitors

Lindsays WS, Solicitors
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

Burness Paul LLP
50 Lothian Road
Edinburgh
EH3 9WJ

INSPIRING SCOTLAND

TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

The Trustees, who are also directors for the purposes of the Companies Act 2006, present their annual report incorporating the strategic 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 the notes to the financial statements and comply with the charitable company's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in January 2019.

Objectives

Vision: *"Every person in Scotland can enjoy a happy, healthy life free from poverty or disadvantage."*

Our mission is to inspire people, communities, organisations and government to work together to drive social change and transform lives.

We believe Scotland's voluntary sector has a transformative effect on the lives of those living in Scotland who otherwise may struggle due to life circumstances, poverty, or other disadvantages.

Our Aim is to amplify and strengthen the impact of organisations by helping them to build their strength, resilience, and reach.

We do that by harnessing the power of the private, public, and voluntary sectors.

Our Work

We achieve this by funding, and supporting organisations based on strong evidence of need and impact, and work with them to make the best use of resources. We use evidence and are led by the experience of people impacted by poverty and disadvantage. This directly informs our work and how we invest our time and resources.

We believe in:

- Providing long term funding
- Building relationships and enhancing organisations' capabilities
- Bringing people together as a collective to learn and share
- Responding to and amplifying the varied and authentic voice of people who experience poverty and disadvantage
- Understanding and scaling impact through rigorous evaluation and organisation development
- Developing and supporting voluntary sector leaders
- Harnessing the power of skilled volunteer input from local communities and Scotland's business sectors
- Acting as a catalyst for action and change with partners and contributors across all sectors

Through our model of thematic funding programmes, managed and supported by dedicated fund and core staff teams, we add value to funds invested, by;

- **Strengthening the organisations and communities** that tackle social issues so that they can better address those issues and help more people.
- **Supporting, developing and connecting the people** who are at the forefront of tackling social issues so that they can share their lived experience, knowledge and have a greater collective impact. We aim to develop long-term supportive relationships with those we fund.
- **Informing and influencing** government, local authorities and public bodies so that they can better understand lived experience and react to social issues faced by Scotland's people.
- **Encouraging new ideas and better ways of working to tackle social issues** in a more effective way. We can be creative, flexible and agile as a funder.
- Making it possible for philanthropists, government, public bodies and charities to **spend money more effectively** in the fight against poverty and disadvantage.

Activities

The main activities undertaken in the period to 31st March 2026 to achieve our objectives were as follows:

- 1) Strategic partnering with Scottish Government to support the management and delivery of funding programmes. The funds supported in 2025-2026 include; Autistic Adult Support Fund, Bright Starts Breakfast Fund, Cashback for Communities (Cashback), Creative Communities, Delivering Equally Safe (DES), Effective Voice Delivery Manager (EVDM), Equality and Human Rights Fund (EHR), Improving Access Fund, Inclusion and Cohesive Communities Fund, Intandem, Learning Disabilities and Autism, Our Future Now, Perinatal and Infant Mental Health (PIMH), Support in the Right Direction (SiRD), Survivors of Childhood Abuse Support Fund (SOCAS) and Thrive Outdoors.
- 2) Delivery of funding programmes and initiatives for independent private investors. These programmes are:
 - Building Brighter Futures Fund
 - Youth Action Fund (YAF)
 - Changing Ideas
 - Neighbourhood Eco System Fund (NEF)
- 3) Partnerships with local authorities for delivery of work through the Creative Communities and Thrive Outdoors programmes.
- 4) Continued fundraising for development and management of multi-partner programmes, designed and developed by Inspiring Scotland. These programmes include, Our Future Now (OFN), Intandem, Thrive Outdoors, Creative Communities and the Neighbourhood Ecosystem Fund (NEF).
- 5) Launch of new Scottish Government funds during the year, Bright Starts Breakfast Fund, Changing Places Toilets Scotland Fund, Improving Access Fund and Inclusion and Cohesive Communities Fund.
- 6) Providing evidence and active support to Scottish Government and other bodies to assist in development of third sector strategies.
- 7) Provision of advisory and consultancy support to the Scottish Government, Local Authorities and charities.
- 8) Implementation of the Inspiring Scotland strategy and ongoing development work particularly to support our aims on Climate Justice and Equity, Diversity, and Inclusion to achieve more impact and add value to funded partners.
- 9) Continued horizon scanning and relationship development for new funding opportunities, including working with new funding bodies, trusts, organisations and individuals.
- 10) Provision of fully outdoor nature-based learning and childcare for children aged above three years and not yet in primary school.

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TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

Strategic Report

Achievements and performance

During the period, Inspiring Scotland managed twenty funding programmes (2025:17) delivering to our strategic priorities 'Improving Life Chances for Children and Young People', 'Flourishing Lives' and 'Climate Action'. Within the twenty programmes there are some with multiple funds and portfolios.

Key outputs in the year to 31st March 2026 include:

Programme/ Fund Activity

- Contracts were awarded for four new Scottish Government funds, Bright Starts Breakfast Fund, Changing Places Toilets Scotland Fund, Improving Access Fund and Inclusion and Cohesive Communities Fund. Total new funding of £10.7m was received from these funds in the year.
- Launch of our first capital fund via the Changing Places Toilets Scotland Fund- a £10m capital programme to build circa 150 changing places toilets across Scotland.
- Renewal of existing funding for ten of our funds for FY 25/26.
- Successful award of £4.5m of National Lottery Community funding for a 5 year mentoring programme as part of Inspiring Scotland's existing Intandem programme.
- Continued work through the Changing Ideas programme which has expanded into supporting charities become aware of the benefits of Artificial Intelligence (AI), including the development of a test programme with five charities that will then be rolled out to the wider sector.
- Successful award of £0.05m of funding from Swire Charitable Trust for our Neighbourhood Eco System Fund
- Delivery of application and assessment process for the Dementia Resilient Community fund-consultancy provided to Scottish Government using Inspiring Scotland resource and knowledge.
- Hosted a volunteer celebration event with the Lord Provost of Glasgow to highlight the contribution of our volunteers in Glasgow and our Specialist Volunteer Network (SVN).
- Management of eleven funding calls for our live funds. In total 1,478 (2025: 420) applications were reviewed with a value of £170m (2025: £29.8m), which has resulted in grant offers of £35m (2025: £6.9m).

Strategic Activity

- Development and promotion of philanthropic giving campaign, including development of philanthropy prospectus and stakeholder round table event.
- Collaborated with Strathclyde University to co-ordinate the promotion of the Canadian ParticipACTION model of physical activity to Scotland, to be known as 'Scotland Moves'.
- Contributed to two UK Government consultations, Young People and Work and Youth Employment, Education and Training.
- Work began on the development of the next 5-year strategic plan which will cover the period 2027-2032.
- Contributed to several Scottish Government consultations on care experienced young people and the vision for kinship.
- Hosted an event for our charity partners "Charities and the Changing Landscape at Holyrood" with over 90 charity partners ahead of the Holyrood elections.

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TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

- Annual partner survey, conducted in September 2025, received 161 (2024: 175) responses from 147 (2024: 140) organisations with key feedback being:
 - 88% of respondents participated in Inspiring Scotland events (portfolio support) (2024: 89%)
 - 99% of respondents feel that they can get support from Inspiring Scotland staff if they have issues with their funded work (2024: 97%)
 - 96% of respondents strongly agree or agree that they have learnt a new skills or gained new knowledge by being part of an Inspiring Scotland portfolio (2024: 88%)
 - 99% of respondents strongly agree or agree that they have met new people and have greater partnerships and networks from being part of the Inspiring Scotland portfolio.(2024: 88%)

Total Programme/ Fund Delivery

- £47.5m (2025: £39.6m) of grant funding was paid or released by Inspiring Scotland to 564 (2025:313) individual organisations in 2025-26, 54 (2025:50) organisations received funding from multiple portfolio/funds.
- When including payments made to the CashBack and SOCAS portfolios direct from the Scottish Government, this increases to £53.6m (2025: £46.3m) of programme funding.
- Total funding released by Inspiring Scotland to an individual organisation (via single or multiple grants) in 25-26 ranged from: £800 to £1,516,585 (multiple payments for one single and one partnership Delivering Equally Safe grant for one organisation).
- The average funding received by an organisation from Inspiring Scotland programmes was £77,227 (2025: £126,344).
- Portfolio funding delivered has a wide reach across Scotland. Of the funding released by Inspiring Scotland £13.4m (2025: £13.4m) was for national activities and delivery.
- The remaining £34.1m (2025: £26.2m) was distributed for local and regional delivery across all 32 Local Authority areas in Scotland ranging from £0.02m (Shetland) to £3.4m (Glasgow).

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TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

Activities by Strategic Area

Strategic Priority: Improving Life Chances of Children and Young People				
Fund	Fund Aims	Portfolio groups funded and/or Managed*	Incoming resources 2025-2026	Portfolio grants paid 2025-2026
Building Brighter Futures	Support the most disadvantaged young people furthest from the labour market to gain skills and confidence through education, employment and training.	10	£0.5m	£0.5m
Bright Starts Breakfast	Expand access to breakfast clubs across Scotland to primary school children and children who attend special schools.	185	£2.8m	£2.3m
Cashback for Communities	Tackle Scotland's inequality by raising attainment, ambition and aspirations of disadvantaged young people.	29	-	£6.1m
Changing Ideas	Innovative ideas to test and scale, health and wellbeing, online harm, AI and campaigning.	14	£0.2m	£0.1m
Intandem	A mentoring programme for young people experiencing Scotland's care system. Intandem is based around building positive, trusting and consistent relationships to support young people to thrive. The programme also supports families and influences wider change in Scotland's care system.	30	£0.9m	£1.0m
Our Future Now (OFN)	Support young people, aged 14-25, who are significantly disadvantaged by their circumstances, into education, employment and training and support a generation of young people to flourish. OFN is in year seven of a ten year fund.	12	£1.9m	£2.0m
Perinatal and Infant Mental Health (PIMH)	Provide crucial help for mothers, carers and infants who need community based mental health support.	17	£1.0m	£1.0m
Thrive Outdoors	Create a sustainable Scotland where our children and young people can play, learn and thrive outdoors.	40	£0.9m	£0.6m
Youth Action Fund (YAF)	Transform the life chances of people aged between 16 and 25 who are facing significant barriers to reach their potential and empower them to create positive changes in their lives.	12	£0.9m	£0.9m
Total released by Inspiring Scotland				£8.4m
Total managed by Inspiring Scotland (including Cashback)				£14.5m

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TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

Strategic Priority: Flourishing Lives				
Fund	Fund Aims	Portfolio groups funded and/or Managed*	Incoming resources 2025-2026	Portfolio grants paid 2025-2026
Autistic Adult Support Fund (AASF)	Provide support for autistic adults and their families to understand what neurodivergence means for them.	25	£1.0m	£1.0m
Changing Places Toilets Scotland Fund (CPTSF)	Capital funding to support the delivery of 100+ new changing places toilets across Scotland.	43	£5.0m	£0.4m
Creative Communities	Support communities to develop and deliver initiatives involving culture and participatory arts.	20	£0.7m	£0.4m
Delivering Equally Safe (DES)	To prevent and eradicate violence against women and girls.	118	£21.6m	£21.8m
Equality and Human Rights	Protect and realise human rights and address the needs of people facing structural inequality.	47	£8.2m	£8.3m
Improving Access	To advance equality for disabled people.	-	£1.6m	-
Inclusion and Cohesive Communities	Supporting Ukraine resettlement, community cohesion, asylum and refugee and hate crime policy.	26	£1.3m	£1.1m
Learning Disabilities	Support charities and social enterprises from the learning disability sector to improve resilience and sustainability to allow them to deliver on key aspects of national learning and disability strategy.	17	£0.6m	£0.7m
Support in the Right Direction (SiRD)	Empower people to be equal partners in their social care and decide how it will be delivered.	31	£3.1m	£3.0m
Survivors of Childhood Abuse Scotland (SOCAS)	Support adult survivors of childhood abuse to enjoy a safe, healthy life with improved wellbeing.	22	£2.2m	£2.2m
Total released by Inspiring Scotland				£38.9m
Total managed by Inspiring Scotland (including Cashback)				£38.9m

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Strategic Priority: Climate Action				
Fund	Fund Aims	Portfolio groups funded and/or managed*	Incoming Resources 2025-2026	Portfolio Grants paid 2025-2026
Neighbourhood Ecosystem Fund (NEF)	Inspire, encourage and enable communities to explore and develop ambitious ecosystem restoration projects locally.	21	£0.3m	£0.2m
Total released by Inspiring Scotland				£0.2m
Total managed by Inspiring Scotland				£0.2m

*Organisations may be funded through multiple programmes, the total number of organisations supported by Inspiring Scotland during the financial year was 564.

**Three funds noted as restricted (Coutts Family, Rural Communities Ideas into Action and Effective Delivery Manager) are not included in the tables above as they are stand-alone, each for a specific purpose and not a fund programme. The Link Up fund closed in the prior year and therefore had no significant activity this year.

Specialist Volunteer Network (Pro Bono)

Inspiring Scotland's network of 288 available Specialist Professional Volunteers (SVN) continues to play a vital role in complementing and enhancing the tailored development support offered to charities within our funds and the wider sector. Our Specialist Volunteers deliver a range of support from individual mentoring, business and strategic planning, financial, legal and marketing expertise. Board development and governance training is also provided by our SVN Executive.

SVN volunteers provide a combination of bespoke matched support and consultancy assignments, workshop delivery and training and trusteeship. Volunteer activity is available for organisations funded through Inspiring Scotland programmes (IS Funds and funded partners), Inspiring Scotland itself (IS Core), and organisations not funded or managed by Inspiring Scotland (Non-IS funded partners).

During the 2025-2026 year:

- 1,507 hours of support were volunteered. 1,184 hours were for IS Funds and funded partners, non-IS funded partners, and Inspiring Scotland core.
- 901 hours were for matched support assignments and 606 for the delivery of capacity building workshops.
- 71 of the 288 available volunteer contacts were deployed to deliver matched support. This number will be greater as some volunteers act as a central contact and engage additional support from colleagues.
- 61 volunteers were active as Trustees on 42 charity Boards. This includes 10 new trustees for 2025-26.
- 220 organisations were supported, with 104 organisations receiving matched SVN support.
- 323 hours of direct support delivered to Inspiring Scotland across training, support cases and room bookings
- One of our SVN volunteers has surpassed 1,000 hours of service through their involvement with the network marking a significant first for our organisation.

INSPIRING SCOTLAND

TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

Future Plans

During the next financial year, the Trustees and executive team will continue work on developing a new five year strategic plan, covering the period 2027-2032. The strategy is intended as a refinement to our existing goals, rather than a fundamental transformation.

Whilst this review is under way, our strategic priorities for the coming year will continue to include those set out in our 2021-2026 Strategy:

Strategic Priority 1: Improving life chances for children and young people

We will continue to focus on improving outcomes for children and young people throughout their life course, supporting them to experience safe, healthy and fulfilling childhoods and to achieve positive outcomes into adulthood. A key priority during 2026/2027 will be securing sustainable multi-year funding across all programme areas through the retention of existing supporters and the development of new funding partnerships.

In line with our commitment to early intervention and prevention, we will continue to identify opportunities to support children and families at the earliest possible stage. Child poverty remains a significant challenge across Scotland, with many families experiencing financial hardship that can adversely affect wellbeing, development and long-term life opportunities. We recognise the importance of addressing the underlying causes and impacts of poverty to improve outcomes for children and young people.

Our fundraising, grant-making and influencing activities will focus on promoting policies and practices that strengthen support for parents, carers, kinship carers and wider family networks. Through these efforts, we aim to help families build financial resilience and provide the stable, nurturing environments that enable children and young people to thrive.

We will continue to fund, support and work alongside voluntary sector organisations delivering holistic, trauma-informed and whole family approaches. This support spans the period from pregnancy and early years, through school-age provision, post-school transitions and early adulthood. Through investment in effective services and a commitment to learning and continuous improvement, we seek to contribute to better long-term outcomes for children, young people and their families.

Strategic Priority 2: Flourishing Lives

We are committed to supporting people and communities across Scotland to achieve improved outcomes and to participate fully in society. We recognise the importance of ensuring that the views and experiences of those directly affected by social and economic challenges inform the development of effective services, policies and practices. During 2026/2027, a key priority will be securing sustainable multi-year funding across all programme areas through the retention of existing funders and the cultivation of new funding partnerships. We will continue to identify and pursue competitive tender opportunities for fund management services where these align with its charitable objectives and strategic priorities.

We will continue to fund, support and learn from voluntary sector organisations that work alongside individuals and communities experiencing barriers to inclusion, independence and wellbeing. Through our funding and partnership activities, we aim to strengthen services that enable people to thrive and live independently. We will also continue to promote opportunities for lived experience to inform service development, ensuring the perspectives of those accessing support contribute to the design and delivery of effective resources.

Through evidence gathered from our funding programmes and partnerships, we will remain engaged with public service reform initiatives and continue to support the development of policy and practice that is responsive to the needs of individuals and communities. We remain committed to ensuring that lived experience informs our work and contributes to wider learning across the voluntary and public sectors.

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TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

Strategic Priority 3: Climate Action

Our Climate Action Group is now embedded within the organisation's governance and operational structures and will continue to oversee delivery of our Climate Action Plan. During 2026/2027, our activities will focus on four key objectives:

- Building internal knowledge, skills and organisational capacity in relation to climate action and climate justice.
- Reducing our environmental impact and progressing towards its long-term net zero commitments.
- Supporting funded organisations to consider the implications of climate change and climate justice within their own operations and activities, and to identify opportunities to reduce carbon emissions.
- Contributing to sector-wide learning and collaboration on climate justice and carbon reduction.

We will continue to work collaboratively with funders, networks and third-sector partners to share learning and promote effective practice, taking leadership roles where appropriate. We will also continue to contribute to the work of the Scottish Funders Forum through our ongoing role in chairing its Climate Subgroup.

Strategic Priority 4: Challenging Ourselves

We will continue to seek and act upon feedback from staff, funded organisations and partners through regular engagement activities, including annual anonymous surveys. Insights gathered will inform organisational development and continuous improving, helping to ensure that we remain an effective employer, funder and partner in delivering our charitable objectives.

During 2026/2027, we will continue to implement our evaluation and learning framework, strengthening the use of evidence, feedback and reflection across all aspects of our work. This will support continuous improvement in fund management processes and contribute to the effective delivery of programmes and services.

The wellbeing, development and retention of our staff remains a key organisational priority. We will continue to invest in training, professional development and wellbeing initiatives, supporting colleagues to develop their skills, enhance performance and contribute effectively to our strategic objectives.

We will continue to develop our giving and philanthropy support service, broadening opportunities for engagement with individual donors, philanthropists and private sector partners. This initiative is intended to support the development of new funding relationships and contribute to the sustainability of our charitable activities.

Financial review

Total income in the period was £59.0m (2025: £42.9m) and was derived predominantly from Scottish Government grants and contracts. The increase in incoming resources of £16.1m (38%) was a result of the four new funds, (£10.7m) and the renewal of seven existing funds (£5.0m). Nursery income increased by £0.1m as occupancy increased and a further £0.3m was received as a donation following the conversion of a previous liability to donation.

Total resources expended in the period were £51.2m (2025: £43.3m). Grants disbursed through funds increased by £7.9m (20%) to £47.5m. This is offset by a reduction in Willow Den expenditure (including staff costs) of £0.1m, 30% in the year following the closure of the Falkirk nursery site.

Net incoming resources for the period were £7.8m (2025: £0.5m outgoing). Willow Den generated a profit of £0.3m (2025: £0.2m loss) during the financial year as a result of cost savings from the closed site and the waiver of a loan liability.

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TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

Financial review (continued)

A cumulative amount of £9.0m (2025: £1.7m) was carried forward at 31 March 2026 as restricted funds, represented by the net assets of the funds as disclosed in note 20. This is expected to be used over the next year.

A total of £1.6m (2025: £1.0m) unrestricted funds is also carried forward with any surplus over required reserves used to fund further research and innovation across the organisation. The total funds held at 31 March 2026 were £10.6m (2025: £2.7m).

Principal Risks and Uncertainties

The Trustees have examined the strategic, business and operational risks to which Inspiring Scotland is exposed. The Trustees are satisfied that adequate systems and procedures have been established to identify and respond to such risks, as far as reasonably possible, after assessing their likelihood of occurrence, potential impact and the existing controls in place.

The Trustees and senior leadership have established our risk appetite. This identifies potential risk events that may affect Inspiring Scotland and seeks to manage those risks. The Audit and Risk Committee reviews the risk register at each quarterly meeting and risk management is a standing agenda item for all Board and Audit and Risk Committee meetings and an annual review of the entire framework is held.

A risk assessment of all our charities is conducted with the results analysed and assessed so we can appropriately monitor and provide support. We remain in close contact with our supported charities to understand and support as needs change and are encouraging multiple potential future scenarios to support the charities' ability to respond and thrive in, what continues to be, a challenging environment.

Top 3 Risks currently are:

Risk	Mitigating Actions
<i>Failure of funding</i> Failure to effectively manage finances, effectively, ensure strong relationships with funders and seek new opportunities for funding	• Strong links and regular communications with funders • Stakeholder engagement plan • Network and connections with other funders and partners • Strong financial reporting and control environment • Regular budgets and reforecasts with sensitivity analysis
<i>Confidence, trust and reputation</i> Failure to maintain confidence, trust and a strong reputation	• Fund governance and reporting policies in place • Strong links and regular communications with funders • Network and connections with other funders and partners • Regular fund and impact reporting • Strategic plan in place
<i>Our people</i> Failure to recruit and retain the right people	• Established and consistent recruitment process for employees and trustees • Established Employee Voice Forum • Fair Work First principles embedded • Annual review of staff benefits and pay • Annual staff survey

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Reserves Policy

Inspiring Scotland's reserves policy is appropriate to its scale and the risks faced by the organisation. Reserves considered appropriate are the higher of three months' operating costs and the reserves required to protect the organisation against known or foreseen risks, as identified in the risk register. The operational costs included in the Budget to March 2027 for a 3 month period are £0.8m, which with Charity only reserves carried forward of £2.2m, is within the target level. Movement in reserves is monitored and reported to the Board quarterly.

Principal Funding Sources

Inspiring Scotland is wholly dependent on the continued support of external funders to finance the costs of its operations and grant-giving activities. The principal sources of funding in the period were government contracts and grants, charitable trusts and foundation grants, local authorities and donations from individuals and corporates. The Trustees seek to secure this support, in the case of each individual donor or grantor, on as long-term a basis as possible.

Given the predominantly voluntary nature of Inspiring Scotland's income base, an inherent conditionality attaches to future income projections. Accordingly, the Trustees require that annual expenditure budgets, including those for grant-making activities, are subject to adjustment in the light of rolling assessments of income prospects throughout the year.

Investment Policy

Surplus cash is held in accessible deposits. Gifts of quoted shares and securities are disposed of as soon as practicable after transfer of ownership to Inspiring Scotland has been completed. The Trustees will continue to review their investment policy in the light of fundraising progress over the coming year.

Going Concern Review

In considering the appropriateness of the going concern assumption, the Trustees have assessed income prospects against projected operating expenditure, and the associated cash flow profile, for a period of 12 months from the date of signing these financial statements.

The cash flow projections on which the Trustees have based their assessment show that budgeted operating expenditure on a group basis is covered by general cash balances carried forward at 31 March 2026 and general-purpose income remittances due to be received in the period.

The Trustees believe that they have reasonable certainty over the receipt of contractual income to 31 March 2027 and have carried out satisfactory sensitivity reviews of the impact of the combined reduction of certain income streams through to 12 months from the date of signing these financial statements. They also believe that the need for the majority of the Group's services will continue.

During the prior financial year, the Group's subsidiary, Willow Den Scotland Ltd, took the strategic decision to close the Falkirk nursery site in order to focus on the profitable site at Spartans in Edinburgh. The final trading day of the Falkirk site was 3rd April 2025. Costs associated with the closure were recognised in the prior financial year, including costs of staff redundancy and impairment of fixed assets. The Trustees expect that this action will have a positive impact upon profitability and cash flows in future periods.

Forecasts demonstrate that the Company is expected to operate within its available facilities and meet its liabilities as they fall due. The assumptions underpinning these forecasts include continued trading in line with recent performance and realisation of cost savings associated with the Falkirk site closure. Consideration has been given to the principle risks and uncertainties facing the business and sensitivity analysis has been performed on these forecasts.

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TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

Going Concern Review (continued)

Forecasts have been prepared under several scenarios to take account of the impact of funds not renewed. The Trustees, having reviewed these forecasts and tested the assumptions on which they are based, are confident that the Group has robust strategies, agility, and sufficient reserves to adapt quickly to continue in operation for the foreseeable future which is defined as 12 months after the date of signing of these financial statements. Therefore, they continue to adopt the going concern assumption in the preparation of the financial statements

Structure, Governance and Management

Governing Document

Inspiring Scotland was incorporated on 6 May 2008 as a company limited by guarantee (Registered Company Number SC342436) and registered as a Scottish charity with the Office of the Scottish Charity Regulator ("OSCR") on 23 May 2008 (Registered Charity Number SC039605). It is governed by Articles of Association (adopted 20 October 2021) which replace the Articles of Association (adopted 15 December 2017).

Willow Den Scotland Limited (Registered Company Number SC674391) was incorporated on 15 September 2020 as a company and is a wholly owned subsidiary of Inspiring Scotland. It is governed by Articles of Association adopted on 4th June 2021.

Appointment of Trustees

The Board of Trustees is responsible for the appointment of Trustees from time to time and will in all future appointments follow the Scottish Governance Code for The Third Sector regarding diversity in all its forms.

The role of the Board includes strategic planning, financial and legal monitoring over a wide range of activities, and authorship and custodian of Inspiring Scotland's mission and values.

The composition of the Board aims to reflect the aspirations and activities of Inspiring Scotland. A range of skills, experience and personal qualities has been drawn up against which prospective candidates are measured. In addition, Inspiring Scotland has signed up to the Partnership for Change and acknowledge Board composition should reflect diversity in all forms not only gender.

The number of Trustees, who were also directors and members, at 31 March 2026 was seven (2025: eight). The maximum number of Trustees at any time is ten. None of the Trustees receive any remuneration for their role with the Board.

Trustee Induction and Training

Induction and training of Trustees is provided on the history, aims, governance arrangements, regulatory framework and key policies of the organisation. Trustees are also offered opportunities to accompany staff on field visits to funded charities or attend portfolio days and actively attend when possible. Regular events presented by external advisors are held to ensure that Trustees are aware of new regulation, best practice and current issues relating to good governance within the sector. The Board believe that the charity is compliant with the Scottish Code of Governance for the Third Sector, issued in 2023.

INSPIRING SCOTLAND

TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

Related Parties

Related party transactions relate to transactions between group companies. Details are disclosed in note 24.

Organisation

The organisation is governed by a Board of Trustees who are also directors within the meaning of the Companies Act. Matters of policy and ultimate responsibility for the financial solvency of the organisation are reserved to the Board. The Board meets at least four times a year. Day-to-day operational decisions are delegated to the Executive Management Team, led by a Chief Executive.

The names of those serving as Trustees during the period are listed within legal and administrative information. The Articles of Association permit initial Board appointments for a term of up to three years which may be renewed for a further period of up to three years. A third and fourth consecutive term of up to three years is permitted in exceptional circumstances.

Senior leadership team pay and total remuneration package is set by the Board, with salary benchmarking advice being provided, as required, by HR experts on a pro bono basis.

The Board is supported by an Audit & Risk Committee. Members of the Audit & Risk Committee, are appointed by the Board and meetings convened independently.

The Trustees seek to encourage the development of collaborative and joint learning approaches to the delivery of Inspiring Scotland's charitable purposes. The various stakeholders who are invested in Inspiring Scotland's funds and programmes all share this objective in common.

Auditors

RSM UK Audit LLP offer themselves for re-appointment subject to approval at the next AGM.

Statement as to Disclosure of Information to Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, have each taken all steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement under s172 of the Companies Act 2006

The Trustees have had regard to the need to foster the Group's business relationships with suppliers, funders, beneficiaries, and others as follows:

- Inherent in the Inspiring Scotland model is a venture philanthropy approach, applying venture capital principles such as long term investment and tailored development support to a portfolio of charities.
- We believe Scotland's voluntary sector has a transformative effect on the lives of those living in Scotland who otherwise may struggle to make the best of their lives due to life circumstances, poverty, or other disadvantages. Our aim is to amplify and strengthen the impact of organisations across civic society by helping them build their strength, resilience, and reach.
- Inspiring people, communities, organisations, and government to work together to drive social change and transform lives.

INSPIRING SCOTLAND

TRUSTEES' REPORT FOR YEAR ENDED 31 MARCH 2026

Statement under s172 of the Companies Act 2006 (continued)

- Support charities to develop, become more resilient, and collaborative through providing purpose-built tools, organisational health checks, events and workshops.
- Continuous discussion with Scottish Government around requirement for funding that maximises impact on the most vulnerable and disadvantaged in Scotland.
- Establishing collaborative networks of professional volunteers who provide vital expertise, helping charities to build capacity and overcome problems. Strengthening strategic partnerships across all sectors (private, public, third sector) to produce deep and varied solutions.

The Trustees' report was approved by the Board of Trustees:



.....
A Dunlop

Trustee

02/10/26

Dated:

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2026

The Trustees, who are also the directors of Inspiring Scotland 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 group and charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF INSPIRING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2026

Opinion

We have audited the financial statements of Inspiring Scotland (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2026 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Consolidated and Charity Statements of Financial Position, the Consolidated Statement of Cash Flows, the Charity 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 FRS 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 group's and the parent charitable company's affairs as at 31 March 2026; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 group and parent charitable company 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 group's or parent charitable company'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, except to the extent otherwise explicitly stated in our report, 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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF INSPIRING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2026

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report and strategic report prepared for the purposes of company law and included within the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the trustees' annual report.

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

- sufficient, adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 set out on page 17 the trustees (who are also the directors of the charitable company for the purposes 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 group's and parent charitable company'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 group or parent 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

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF INSPIRING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2026

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud, having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, and the Charities and Trustee Investment (Scotland) Act 2005. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included a review of financial statement disclosures.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF INSPIRING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2026

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company'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 charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Adams

Kelly Adams (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

Date: 06/10/26

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

INSPIRING SCOTLAND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted funds £	Restricted funds £	Total 2026 £	Total 2025 £
Income from:					
Donations and legacies	3	2,041,920	6,778,524	8,820,444	13,837,462
Charitable activities	4	1,461,024	48,236,969	49,697,993	28,646,344
Commercial trading operations	5	350,825	-	350,825	283,744
Investment Income		119,590	-	119,590	108,445
Total incoming resources		<u>3,973,359</u>	<u>55,015,493</u>	<u>58,988,852</u>	<u>42,875,995</u>
Expenditure on:					
Raising funds	6	11,512	103,607	115,119	111,543
Charitable activities	7	3,050,209	47,681,777	50,731,986	42,764,374
Commercial trading operations	8	321,269	-	321,269	459,351
Total resources expended		<u>3,382,990</u>	<u>47,785,384</u>	<u>51,168,374</u>	<u>43,335,268</u>
Net income/(expenditure)		590,369	7,230,109	7,820,478	(459,273)
Gross transfers between funds		-	-	-	-
Net movement in funds		590,369	7,230,109	7,820,478	(459,273)
Total funds brought forward		<u>1,003,846</u>	<u>1,738,022</u>	<u>2,741,868</u>	<u>3,201,141</u>
Total funds carried forward	20	<u><u>1,594,215</u></u>	<u><u>8,968,131</u></u>	<u><u>10,562,346</u></u>	<u><u>2,741,868</u></u>

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

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

INSPIRING SCOTLAND

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted funds £	Restricted funds £	Total 2026 £	Total 2025 £
Income from:					
Donations and legacies	3	1,759,016	6,778,524	8,537,540	13,837,462
Charitable activities	4	1,461,024	48,236,969	49,697,993	28,646,344
Investment Income		119,590	-	119,590	108,445
Total incoming resources		<u>3,339,630</u>	<u>55,015,493</u>	<u>58,355,123</u>	<u>42,592,251</u>
Expenditure on:					
Raising funds	6	11,512	103,607	115,119	111,543
Charitable activities	7	3,050,209	47,681,777	50,731,986	42,764,374
Total resources expended		<u>3,061,721</u>	<u>47,785,384</u>	<u>50,847,105</u>	<u>42,875,917</u>
Net income/(expenditure)		277,909	7,230,109	7,508,018	(283,666)
Gross transfers between funds		-	-	-	-
Net movement in funds		277,909	7,230,109	7,508,018	(283,666)
Total funds brought forward		1,983,246	1,738,022	3,721,268	4,004,934
Total funds carried forward	20	<u>2,261,155</u>	<u>8,968,131</u>	<u>11,229,286</u>	<u>3,721,268</u>

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

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

INSPIRING SCOTLAND

CONSOLIDATED AND CHARITY STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	Group 2026 £	2025 £	Charity 2026 £	2025 £
Fixed assets					
Intangible assets	13	-	-	-	-
Tangible assets	14	37,569	32,401	25,054	16,618
Investments	15	-	-	1	1
		<u>37,569</u>	<u>32,401</u>	<u>25,055</u>	<u>16,619</u>
Fixed assets					
Debtors due within one year	16	346,393	467,858	356,535	510,865
Debtors due after more than one year	16	-	-	351,291	328,010
Cash at bank and in hand		10,947,599	3,297,734	10,907,488	3,291,906
		<u>11,293,992</u>	<u>3,765,592</u>	<u>11,615,314</u>	<u>4,130,781</u>
Creditors: amounts falling due within one year	17	<u>(480,413)</u>	<u>(484,419)</u>	<u>(411,083)</u>	<u>(426,132)</u>
Net current assets		<u>10,813,579</u>	<u>3,281,173</u>	<u>11,204,231</u>	<u>3,704,649</u>
Creditors: amounts falling due after one year	17	<u>(288,802)</u>	<u>(571,706)</u>	-	-
Total assets less liabilities		<u>10,562,346</u>	<u>2,741,868</u>	<u>11,229,286</u>	<u>3,721,268</u>
Income funds					
Restricted funds	20	8,968,131	1,738,022	8,968,131	1,738,022
Unrestricted funds					
General unrestricted funds	20	1,594,215	1,003,846	2,261,155	1,983,246
		<u>1,594,215</u>	<u>1,003,846</u>	<u>2,261,155</u>	<u>1,983,246</u>
Total charity funds		<u>10,562,346</u>	<u>2,741,868</u>	<u>11,229,286</u>	<u>3,721,268</u>

02/10/26

The financial statements were approved by the Board of Trustees and authorised for issue on


A Dunlop
Trustee

J White
Trustee

INSPIRING SCOTLAND

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

		2026		2025	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/ (used) in operations	21		7,669,047		(413,896)
Investing activities					
Purchase of tangible fixed assets		(19,182)		(11,600)	
Net cash used in investing activities			(19,182)		(11,600)
Financing activities					
		-		-	
Net increase/ (decrease) in cash and cash equivalents			7,649,865		(425,496)
Cash and cash equivalents at beginning of year			3,297,734		3,723,230
Cash and cash equivalents at end of year			10,947,599		3,297,734

Net debt reconciliation	Opening Balance £	Cashflow £	Non Cash Movement £	Closing Balance £
Cash and cash equivalents at end of year	3,297,734	7,649,865	-	10,947,599
Debt				
Amounts due falling within one year	-	-	-	-
Amounts falling due after one year	(571,706)	-	282,904	(288,802)
Net Debt at 31st March 2026	<u>2,726,028</u>	<u>7,649,865</u>	<u>282,904</u>	<u>10,658,797</u>

INSPIRING SCOTLAND

CHARITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

		2026		2025	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/ (used) in operations	21		7,634,764		(327,271)
Investing activities					
Purchase of tangible fixed assets		(19,182)		(11,600)	
Net cash used in investing activities			(19,182)		(11,600)
Net increase/ (decrease) in cash and cash equivalents			7,615,582		(338,871)
Cash and cash equivalents at beginning of year			3,291,906		3,630,777
Cash and cash equivalents at end of year			10,907,488		3,291,906
Net debt reconciliation		Opening Balance	Cashflow	Non Cash Movement	Closing Balance
		£	£	£	£
Cash and cash equivalents at end of year		3,291,906	7,615,582	-	10,907,488
Debt					
Amounts due falling within one year		-	-	-	-
Amounts falling due after one year		-	-	-	-
Net Debt at 31st March 2026		<u>3,291,906</u>	<u>7,615,582</u>	<u>-</u>	<u>10,907,488</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

Charity information

Inspiring Scotland is a private company limited by guarantee incorporated in Scotland (company registration number SC342436). The registered office is Suite 2, 14 New Mart Road, Edinburgh EH14 1RL.

The principal objectives of Inspiring Scotland are to promote such charitable purposes, within the meaning of section 7 of the Charities and Trustee Investment (Scotland) Act 2005, 'as the Trustees shall think fit'. The charitable purposes under which the organisation is registered with OSCR pertain to the advancement of citizenship and community development.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the charity's Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". 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 £.

Basis of consolidation

These financial statements incorporate Inspiring Scotland and its wholly owned trading subsidiary, Willow Den Scotland Limited, on a line by line basis.

Going concern

The financial statements are prepared on the going concern basis, which the Trustees consider to be appropriate in the light of their review of future income, expenditure and liquidity, as more fully described in the Trustees' Report. The Trustees have considered forecasts for a period of 12 months from the date of approval of these financial statements. The Trustees, with reference to these forecasts, have considered the availability of future incoming resources and cash flow expected over this period. The Trustees have also considered the unrestricted reserves of £1.6m (all of which is matched by net current assets) and are satisfied that these will be sufficient to meet the charity's and group's requirements. The Trustees believe that they have reasonable certainty over receipt of contractual income to 31 March 2028 and have carried out satisfactory sensitivity reviews of the impact of the combined reduction of certain income streams through to 31 March 2028. They also believe that the need for the majority of the group's services has continued and in some cases increased through the period. The Trustees do note the uncertainty surrounding the availability of future funding, which cannot be predicted with certainty but are confident that the charity and group can adapt to any required changes and will continue in operation for the foreseeable future. Therefore, they continue to adopt the going concern assumption in preparation of the financial statements

Charitable funds

Unrestricted funds represent resources available for general use, at the discretion of the Trustees, within the charitable purposes of the organisation.

Designated funds are funds earmarked by the Trustees for a particular future project or commitment. Designation has an administrative purpose only and does not legally restrict the Trustees' discretion in how to apply the unrestricted funds earmarked.

Restricted funds represent resources that are to be used strictly for purposes specified by donors and grant-givers.

Transfers to restricted funds reflect unrestricted funds available to cover support costs attributable to restricted fund activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies (continued)

Incoming resources

Donations and other voluntary income, including restricted grants received from grant-making trusts and foundations, are recognised when entitlement to the income has been established, their receipt is probable, and where received in advance, planned services have commenced. Where expenditure is expected, but has not been planned, the income is deferred until formal spending plans have been finalised.

Assistance in the form of donated services provided directly to Inspiring Scotland is recognised in the Statement of Financial Activities where the benefit to Inspiring Scotland is material, reasonably quantifiable and measurable. The value placed on the services is an estimate of the price of the service on the open market. A corresponding cost is reflected in resources expended. Donated services arranged by Inspiring Scotland through the pro bono network and provided directly to our charities are not recognised in Inspiring Scotland's accounts, but may be reflected in the beneficiary charity's accounts, if appropriate.

Grants received, including Government grants, which are not conditional on delivering certain levels or volumes of a service are treated as income from donations and legacies.

Income from service contracts is recognised on a proportion of the time spent in providing the service as a proportion of the latest estimated total time to be spent to fulfil the contract.

Bank interest is recognised in the period in which it is earned and allocated to the fund on which the interest was earned.

Where it has been expressly agreed with a donor or grantor, an earmarking is made from their donation or grant for application to general support costs. The corresponding amount is taken to general funds and treated as voluntary income, with the balance being treated as restricted income earned.

Resources expended

The costs of generating funds, charitable expenditure and support costs are charged to the activity to which the expenditure relates. Where they are not directly allocated, support costs, including shared services and property costs, are apportioned in line with staff time deployed in an activity.

Charitable activities consist of grant-making which is structured around a range of social impact funds and seeks to build organisational capacity and resilience through the provision of direct financial investment and in-kind support in the form of business consultancy, mentoring and related support costs.

All grants payable are subject to continuous monitoring and assessment against a range of performance measures, with formal reviews carried out prior to release of funding. Accordingly, grant expenditure is recognised in the period in which approval is confirmed and the payment is communicated to the charity, following the completion of a performance review.

The cost of assistance in the form of donated services provided directly to Inspiring Scotland is charged to the activity to which the expenditure relates and is recognised in the Statement of Financial Activities where the value to Inspiring Scotland is material, reasonably quantifiable and measurable. The value placed on the services is an estimate of the price of the service on the open market. A corresponding income is reflected in incoming resources.

Intangible fixed assets other than goodwill

Inspiring Scotland capitalises software and website development expenditure as an intangible asset when it is able to demonstrate the technical feasibility, intention to complete the development and its ability to use the asset; how the intangible asset will generate probable future economic benefits; the availability of adequate resources to complete the development and to use or sell the intangible asset; and its ability to measure reliably the expenditure attributable to the asset during its development.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies (continued)

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

Websites	over 5 years, on a straight-line basis
----------	--

Tangible fixed assets

Tangible fixed assets with a cost of £500 or more are capitalised and included in the balance sheet at cost less accumulated depreciation.

Assets transferred by way of gift are capitalised at their book value at the date of transfer and depreciated over their estimated remaining useful life on a straight-line basis.

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

Leasehold property	over the remaining lease term, on a straight-line basis
Fixtures and fittings	over 5-10 years, in line with estimated remaining useful life, on a straight line basis
IT equipment	over 3 years, on a straight-line basis

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 net income/(expenditure) for the year.

Impairment of fixed assets

At each reporting end date, the charity and group review the carrying amounts of their tangible and intangible 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).

Investment in subsidiaries

Investments in subsidiaries are held at cost.

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.

Financial instruments

The charity and group have 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 and group's balance sheet when the charity and group 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors 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.

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 group's contractual obligations expire or are discharged or cancelled.

Taxation

Inspiring Scotland is registered with OSCR as a charity for the purposes of the Charities and Trustee Investment (Scotland) Act 2005 and is entitled under section I(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 to describe itself as a Scottish charity.

Inspiring Scotland is entitled to exemption from corporate tax under part II of the Corporate Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 in respect of charitable activities.

Irrecoverable VAT is included in resources expended within the expenditure to which it relates.

Employee benefits

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

Retirement benefits

The group operates a defined contribution group personal pension plan for its employees. The assets of the scheme are held separately from those of the group. Contributions due in the period are included in resources expended.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

2 Critical accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The key area of judgement for Inspiring Scotland relates to the allocation of staff time of staff not directly attributable to the individual funds and programmes operated by Inspiring Scotland. The allocation of staff time affects both the staff costs allocated to the individual funds and the proportion of general expenses allocated to individual funds.

Staff costs that are not directly attributable to the individual funds and programmes operated by Inspiring Scotland are apportioned to activities on an appropriate time-cost basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

3 Donations and legacies

Group	Unrestricted funds £	Restricted funds £	Total 2026 £	Unrestricted funds £	Restricted funds £	Total 2025 £
Donations and gifts	2,041,920	6,778,524	8,820,444	1,736,231	12,101,231	13,837,462
Donations and gifts						
Scottish Government grants	1,120,309	3,244,806	4,365,115	967,275	9,159,708	10,126,983
Trusts and foundations	608,779	2,362,075	2,970,854	272,501	2,435,177	2,707,678
Individual giving	92,432	428,593	521,025	207,755	271,279	479,034
Corporate donors	27,400	-	27,400	22,100	60,000	82,100
Local authority grants	193,000	743,050	936,050	266,600	175,067	441,667
	2,041,920	6,778,524	8,820,444	1,736,231	12,101,231	13,837,462
Charity						
Donations and gifts	1,759,016	6,778,524	8,537,540	1,736,231	12,101,231	13,837,462
Donations and gifts						
Scottish Government grants	1,120,309	3,244,806	4,365,115	967,275	9,159,708	10,126,983
Trusts and foundations	325,875	2,362,075	2,687,950	272,501	2,435,177	2,707,678
Individual giving	92,432	428,593	521,025	207,755	271,279	479,034
Corporate donors	27,400	-	27,400	22,100	60,000	82,100
Local authority grants	193,000	743,050	936,050	266,600	175,067	441,667
	1,759,016	6,778,524	8,537,540	1,736,231	12,101,231	13,837,462

Income from Corporate Donors includes £27,400 (2025: £22,100) of Specialist Volunteer Support services or donations-in-kind from various companies provided to Inspiring Scotland. Specialist Volunteer Support services in the year consisted of staff training, consultancy support, fundraising support, photography and provision of rooms and catering.

We would like to recognise the support of and express our thanks to all donors in the financial year, including:

- The Souter Family Foundation
- The National Lottery
- The Hub Community Fund
- The Robertson Trust
- The Farmer Foundation
- Changing Ideas
- The Carman Foundation
- Nature Scot
- Gary and Emma Le Sueur
- The Castana Trust
- The Distillers Charity
- The Ross Girls
- UBS Optimus Foundation
- Mr & Mrs P J McNeill
- Richard Burns
- Leslie Robb
- The Coutts Family

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

4 Charitable activities

Group and charity

	2026 £	2025 £
Scottish Government	49,695,167	28,623,564
Local authorities	-	19,400
Other income	2,826	3,380
	<u>49,697,993</u>	<u>28,646,344</u>
Analysis by fund		
Unrestricted funds	1,461,024	1,226,818
Restricted funds	48,236,969	27,419,526
	<u>49,697,993</u>	<u>28,646,344</u>

Income from charitable activities relates to the delivery partner role for the Equalities and Human Rights Fund, Delivering Equally Safe, Support in the Right Direction, Perinatal and Infant Mental Health, Survivors of Child Abuse Scotland, Cashback for Communities programme, Bright Start Breakfasts Fund, Changing Places Toilets Scotland Fund, Equalities Inclusion and Cohesive Communities Fund, Improving Access Fund, Thrive Outdoor Community Play Fund, Autistic Adult Support Fund and Learning Disabilities Fund . Other income includes work with charities and Trusts.

5 Other trading activities income - Group

Income from commercial trading operations consists of income receivable by the charity's wholly owned subsidiary, Willow Den Scotland Limited, for the operation of an outdoor nursery for children aged 3 to pre-school age.

6 Raising Funds

Group and charity

	Unrestricted funds £	Restricted funds £	Total 2026 £	Total 2025 £
<u>Fundraising and publicity:</u>				
Investor reporting and awareness raising	114	1,028	1,142	1,362
Support costs (see note 10)	11,398	102,579	113,977	110,181
	<u>11,512</u>	<u>103,607</u>	<u>115,119</u>	<u>111,543</u>
 For the year ended 31 March 2025				
Fundraising and publicity	<u>11,154</u>	<u>100,389</u>		<u>111,543</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

7 Charitable activities

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Capacity building	317,935	357,935	317,935	357,935
Grant funding of activities (note 9)	47,467,449	39,621,501	47,467,449	39,621,501
Direct staff costs	1,803,132	1,671,705	1,803,132	1,671,705
Share of support costs (note 10)	524,743	525,121	524,743	525,121
Share of governance costs (note 10)	618,727	588,112	618,727	588,112
	<u>50,731,986</u>	<u>42,764,374</u>	<u>50,731,986</u>	<u>42,764,374</u>
Analysis by fund				
Unrestricted funds	3,050,209	2,885,326	3,050,209	2,885,326
Restricted funds	<u>47,681,777</u>	<u>39,879,048</u>	<u>47,681,777</u>	<u>39,879,048</u>
	<u>50,731,986</u>	<u>42,764,374</u>	<u>50,731,986</u>	<u>42,764,374</u>

Included within expenditure on costs of raising funds and expenditure on charitable activities is £27,400 (2025: £22,100) of Specialist Volunteer Support services provided by corporate supporters that is recognised as a benefit-in-kind. Specialist Volunteer Support services in the year consisted of staff training, consultancy support, fundraising support, photography and provision of rooms and catering.

8 Other trading activities expenditure - Group

Expenditure on commercial trading operations consists of expenditure by the charity's wholly owned subsidiary, Willow Den (Scotland) Limited, for the operation of outdoor nursery for children aged 3 to pre-school age.

9 Grants Payable

	2026	2025
	£	£
Group and charity		
Adult Social Work and Social Care Wellbeing Programme	-	(11,492)
Autism, Increasing Understanding	-	(10,000)
Autism Adult Support Fund	989,512	1,005,729
Building Brighter Futures Fund	478,645	464,890
Bright Starts Breakfast Fund	2,299,864	-
Changing Ideas Fund	133,392	96,836
Changing Places Toilets Scotland Fund	382,770	-
Creative Communities Programme	415,955	279,818
Delivering Equally Safe	21,783,537	18,975,122
Equality and Human Rights Fund	8,242,989	8,267,529
Inclusion and Cohesive Communities Fund	1,134,273	-
Intandem	990,103	845,272
Learning Disabilities Fund	715,951	802,009
Link Up	2,345	28,460
Neighbourhood Ecosystem Fund	243,246	146,108
Our Future Now (including Youth Action Fund)	2,855,882	3,073,982
Perinatal and Infant Mental Health	1,004,922	967,532
Support in the Right Direction (SiRD)	2,971,142	2,866,294
Survivors Fund	2,238,269	1,106,731
Thrive Outdoors	584,652	716,681
	<u>47,467,449</u>	<u>39,621,501</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

9 Grants payable (continued)

Grants to all ventures are made on a conditional basis, subject to on-going performance reviews and confirmation of satisfactory progress against pre-agreed objectives and outcomes at quarterly intervals. A full list of grants paid during the year is detailed on Inspiring Scotland website at www.inspiringscotland.org.uk. See note 22 for further detail.

10 Support Costs

Group and charity	Support costs £	Governance costs £	2026 £	2025 £
Staff costs	495,545	411,206	906,751	891,535
Depreciation	5,782	4,964	10,746	12,640
Investor reporting & awareness raising	5,040	5,309	10,349	12,599
Office services, premises & technology	132,353	113,643	245,996	265,893
Audit fees	-	17,687	17,687	21,380
Legal, insurance and professional fees	-	65,318	65,318	11,687
Other fees to auditor	-	600	600	7,680
	<u>638,720</u>	<u>618,727</u>	<u>1,257,447</u>	<u>1,223,414</u>
Analysed between				
Fundraising	113,977	-	113,977	110,181
Charitable activities	524,743	618,727	1,143,470	1,113,233
	<u>638,720</u>	<u>618,727</u>	<u>1,257,447</u>	<u>1,223,414</u>

Support staff costs relate to administration and management personnel whose time is apportioned to activities on an attributable time-cost basis. Performance Advisor staff engaged mainly or wholly on the funds and programmes activities and building portfolio charities resilience and capacity, as set out in the Trustees' report, are regarded as support staff for the purposes of these accounts.

Investor reporting and awareness raising costs comprise of marketing and communication costs that support and complement specific fund-raising activities.

Office services, premises and technology costs comprise of IT, leased property and general office costs. Where these cannot be directly allocated, they are apportioned in line with head count deployed in each activity.

Governance costs include payments to the auditors and their associates of £18,287 (2025: £21,380) in respect of audit fees and £600 (2025: £7,680) for other financial services.

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits, or expenses from the charity during the year (2025: none).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

12 Employees

Number of employees

The average monthly number of employees across the group during the year was 61 (2025: 61). The average monthly number of employees calculated on a full-time equivalent basis was as follows:

	Group		Charity	
	2026	2025	2026	2025
Autism	1	2	1	2
Cashback	3	4	3	4
Changing Ideas	1	1	1	1
Changing Places Toilets Scotland Fund	2	-	2	-
Creative Communities	2	2	2	2
Delivering Equally Safe	4	6	4	6
Equalities and Human Rights	5	4	5	4
Improving Access	1	-	1	-
Inclusion and Cohesive Communities	1	-	1	-
Intandem	3	3	3	3
Learning Disabilities	2	2	2	2
Link Up	1	1	1	1
Neighbourhood Eco System Fund	1	-	1	-
Our Future Now	3	3	3	3
Perinatal and Infant Mental Health	1	2	1	2
SIRD	2	2	2	2
Support staff, including executive management and fund raising	14	16	14	16
Survivors	1	1	1	1
Thrive Outdoors	4	5	4	5
Trading Ops	6	9	-	-
	<u>58</u>	<u>63</u>	<u>52</u>	<u>54</u>

	Group		Charity	
	2026	2025	2026	2025
Wages and salaries	2,256,160	2,262,337	2,042,048	1,974,440
Social security costs	293,527	232,283	272,829	207,399
Other pension costs	327,872	303,688	316,448	286,964
	<u>2,877,559</u>	<u>2,798,308</u>	<u>2,631,325</u>	<u>2,468,803</u>

Inspiring Scotland and its subsidiary operate defined contribution group personal pension schemes into which it makes regular contributions on behalf of individual employees.

Short term or day rate contracting arrangements were in place with nil individuals (2025: nil) during the period. The cost associated with contractors arising in the period is £nil (2025: £nil).

Contributions of £327,872 (2025: £303,688) were made in the year into employer group pension scheme arrangements on behalf of 66 (2025: 66) staff who were members of the scheme during the year. Accrued pension contributions at the year end amounted to £29,982 (2025: £27,020) and are included in accruals and deferred income (see note 17). Contributions of £36,387 (2025: £37,850) were made in the year into employer group pension scheme arrangements on behalf of five (2025: five) higher paid employees.

Included within employee costs are statutory redundancy costs of £nil (2025: £10,285).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

12 Employees (continued)

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

	Group		Charity	
	2026	2025	2026	2025
£60,000-£69,999	3	2	3	2
£70,000-£79,999	2	1	2	1
£80,000-£89,999	1	1	1	1
£90,000-£99,999	-	-	-	-
£100,000-£109,999	-	1	-	1
£110,000-£119,999	1	-	1	-

13 Intangible fixed assets

Group and charity

Websites
£

Cost

At 1 April 2025 and 31 March 2026

30,819

Amortisation and impairment

At 1 April 2025

30,819

Amortisation charged for the year

-

At 31 March 2026

30,819

Carrying amount

At 31 March 2026

-

At 31 March 2025

-

Amortisation charged in the year is included within depreciation heading under support costs. See note 10.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

14 Tangible fixed assets

Group	Leasehold property £	Fixtures and fittings £	IT equipment £	Total £
Cost				
At 1 April 2025	32,613	28,472	95,826	156,911
Additions	-	-	19,182	19,182
Disposals	-	-	(3,514)	(3,514)
At 31 March 2026	32,613	28,472	111,494	172,579
Depreciation and impairment				
At 1 April 2025	19,280	26,116	79,114	124,510
Depreciation charged in the year	2,273	901	10,840	14,014
Disposals	-	-	(3,514)	(3,514)
At 31 March 2026	21,553	27,017	86,440	135,010
Carrying amount				
At 31 March 2026	11,060	1,455	25,054	37,569
At 31 March 2025	13,333	2,356	16,712	32,401
Charity				
Cost				
At 1 April 2026	5,142	7,421	90,781	103,344
Additions	-	-	19,182	19,182
Disposals	-	-	(3,514)	(3,514)
At 31 March 2026	5,142	7,421	106,449	119,012
Depreciation and impairment				
At 1 April 2026	5,142	7,421	74,163	86,726
Depreciation charged in the year	-	-	10,746	10,746
Disposals	-	-	(3,514)	(3,514)
At 31 March 2026	5,142	7,421	81,395	93,958
Carrying amount				
At 31 March 2026	-	-	25,054	25,054
At 31 March 2025	-	-	16,618	16,618

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

15 Subsidiary

Details of the charity's subsidiary at 31 March 2026 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Willow Den (Scotland) Ltd (SC674391)	Suite 2 14 New Mart Road Edinburgh EH14 1RL	To run outdoor nurseries	Ordinary Share capital	100.00	

Willow Den (Scotland) Limited had a capital and reserves deficit of £666,941 (2025: £979,401) at the year end. Total income for the year amounted to £633,729 (2025: £283,744), while expenditure amounted to £321,269 (2025: £459,351), giving a profit for the year of £312,460 (2025: loss of £175,607).

16 Debtors

Amounts falling due within one year:	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Trade debtors	121,089	313,645	120,745	312,960
Amounts owed by group undertakings	-	-	12,000	50,000
Other debtors	3,313	11,776	3,313	7,462
Prepayments and accrued income	221,991	142,437	220,477	140,443
	<u>346,393</u>	<u>467,858</u>	<u>356,535</u>	<u>510,865</u>
Amounts falling due after one year:				
Unsecured amounts owed by group	-	-	351,291	328,010
undertakings				
	<u>-</u>	<u>-</u>	<u>351,291</u>	<u>328,010</u>
Total Debtors	<u>346,393</u>	<u>467,858</u>	<u>707,826</u>	<u>838,875</u>

£363,291 is owed to Inspiring Scotland by its subsidiary, Willow Den (Scotland) Ltd, and therefore is recorded as amounts owed by group undertakings.

This comprises a formal loan of £100,000 which is regarded as concessionary as it does not incur any interest until the 10th anniversary of draw down. The balance is repayable in 48 equal monthly instalments commencing in July 2031.

£263,291 is an interest free working capital loan due to commence repayment in April 2026 at a rate of £12,000 per annum. The terms of repayment were informally agreed in July 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

17 Creditors

Amounts falling due within one year:	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Trade creditors	72,270	125,526	68,788	115,845
Other taxation and social security	171,638	132,861	167,851	128,210
Other creditors	36,079	102,305	30,478	96,462
Accruals and deferred income (see note 18)	200,426	123,727	143,966	85,615
	<u>480,413</u>	<u>484,419</u>	<u>411,083</u>	<u>426,132</u>
Amounts falling due after one year:				
Long term loans	<u>288,802</u>	<u>571,706</u>	<u>-</u>	<u>-</u>

£225,000 of social loan funding was received by Willow Den (Scotland) Ltd in June 2021 and accrued interest at a rate of 10%, compounded into the outstanding balance until December 2023. In May 2024 the Company completed renegotiation of the debt extending the term of the loan to June 2036 and applying a capital and interest holiday from January 2024 to June 2026. Interest only repayment will be made from July 26 to June 2027 at a rate of 2% and equal capital and interest repayment will commence from July 2027 at a rate of 8%.

A bond and floating charge was registered on 30 June 2021 in favour of Social Growth Fund 2 LLP in respect of the £225,000 loan agreement included above.

During the year a lender irrevocably waived a loan previously recognised as a financial liability of the Group. As a result the liability has been derecognised and the amount credited as a donation in the Statement of Financial Activities.

18 Deferred Income

Group and charity	2026	2025
	£	£
Opening Balance as at 31 March 2025	64,175	42,999
Income deferred in the year	14,668	64,175
Income released in the year	(64,175)	(42,999)
Closing Balance as at 31 March 2026	<u>14,668</u>	<u>64,175</u>

Deferred income of £14,668 (2025: £64,175) relates to grants received relating to periods past the year end and is included in accruals and deferred income in note 17.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

19 Restricted Funds

Group and charity	Balance at 1 April 2025 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2026 £
Adult Social Work and Social Care Wellbeing	(2,583)	-	-	2,583	-
Autism Increasing Understanding (including Autistic Adult Support Fund)	15,597	999,509	(994,637)	-	20,469
Bright Starts Breakfast Fund	-	2,838,462	(2,299,892)	-	538,570
Building Brighter Futures Fund	3,665	474,981	(478,646)	-	-
Changing Ideas	2,611	180,810	(153,531)	-	29,890
Changing Places Toilets Scotland Fund	-	5,047,237	(384,000)	-	4,663,237
Coutts Family	292,462	270,593	-	(83,627)	479,428
Creative Communities	(56,685)	669,050	(418,460)	-	193,905
Delivering Equally Safe	197,894	21,604,812	(21,792,774)	-	9,932
Effective Delivery Manager	54,187	103,570	(157,757)	-	-
Equality and Human Rights	21,366	8,229,624	(8,243,349)	-	7,641
Improving Access Fund	-	1,553,516	(2,835)	-	1,550,681
Inclusion and Cohesive Communities Fund.	-	1,287,773	(1,134,273)	-	153,500
Intandem	218,410	894,860	(1,031,242)	-	82,028
Learning Disabilities and Autism	109,138	649,569	(733,108)	18,000	43,599
Link Up	42,361	(40,000)	(2,405)	44	-
Neighbourhood Eco System Fund	55,137	279,000	(258,106)	-	76,031
Our Future Now (including Youth Action Fund)	397,275	2,765,214	(2,869,042)	58,000	351,447
Perinatal and Infant Mental Health	8,586	1,002,922	(1,008,806)	5,000	7,702
Rural Communities Ideas into Action	(10,067)	10,109	(42)	-	-
SIRD	420,098	3,084,372	(2,980,396)	-	524,074
Survivors Scotland	13,674	2,241,269	(2,243,110)	-	11,833
Thrive Outdoors	(45,104)	868,241	(598,973)	-	224,164
	<u>1,738,022</u>	<u>55,015,493</u>	<u>(47,785,384)</u>	<u>-</u>	<u>8,968,131</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

19 Restricted Funds (continued)

Group and charity	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2025 £
Adult Social Work and Social Care Wellbeing	61,496	(71,821)	7,742	-	(2,583)
Autism Increasing Understanding (including Autistic Adult Support Fund)	45,470	1,000,000	(1,029,873)	-	15,597
Building Brighter Futures Fund	-	468,555	(464,890)	-	3,665
Changing Ideas	-	100,000	(97,389)	-	2,611
Coutts Family	251,472	40,990	-	-	292,462
Creative Communities	9,122	245,450	(311,257)	-	(56,685)
Delivering Equally Safe	192,107	19,010,141	(19,004,354)	-	197,894
Effective Delivery Manager	101,470	85,900	(133,183)	-	54,187
Equality and Human Rights	9,091	8,279,804	(8,267,529)	-	21,366
Intandem	250,629	835,304	(867,523)	-	218,410
Learning Disabilities and Autism	200,676	727,009	(818,547)	-	109,138
Link Up	110,093	(39,220)	(28,512)	-	42,361
Neighbourhood Eco System Fund	-	203,000	(147,863)	-	55,137
Our Future Now (including Youth Action Fund)	433,670	3,083,572	(3,119,967)	-	397,275
Perinatal and Infant Mental Health	11,841	968,430	(971,685)	-	8,586
Rural Communities Ideas into Action	-	(4,439)	(5,628)	-	(10,067)
SIRD	200,443	3,088,512	(2,868,857)	-	420,098
Survivors Scotland	13,302	1,109,346	(1,108,974)	-	13,674
Thrive Outdoors	305,820	390,224	(741,148)	-	(45,104)
	<u>2,196,702</u>	<u>39,520,757</u>	<u>(39,979,437)</u>	<u>-</u>	<u>1,738,022</u>

Agreements with certain grant-makers and donors in relation to their funding of Our Future Now Fund specify that up to 10% of their annual pledge may be retained by Inspiring Scotland to fund a dedicated team of Performance Advisors and a contribution to the costs of the core support functions.

As at 31st March 2026 no funds were in a deficit position (2025: 4).

Transfers related to transfers from the Coutts Family fund to other restricted funds, there were no transfers between restricted and unrestricted funds during the year (2025: £nil).

Restricted funds represent grants and donations received for specific charitable purposes. The Trustee's ensure that expenditure is charged to the relevant fund in accordance with donor restrictions and further detail of the purpose of each fund is included within the trustees report on pages 7-9.

During the year funding was awarded for four new funds, Bright Starts Breakfast Fund, Changing Places Toilets Scotland Fund, Improving Access Fund and Inclusion and Cohesive Communities Fund.

At the year end, a number of restricted funds held significant balances. These balances do not indicate that the funds are surplus to requirements, rather, they reflect the timing of income and receipts and expenditure on approved projects. In a number of cases, funding was received before the related expenditure fell due and the balance will be applied in accordance with donor restrictions in the following financial period.

Changing Places Toilets Scotland Fund, holds a substantial balance as it was established to fund capital expenditure. The related capital expenditure is progressing in line with plan and the funds will be utilised as expenditure on the projects is incurred.

The Trustee's have reviewed all restricted fund balances at year end and are satisfied that they remain appropriate and will be applied to their intended purposes within the approved project plans.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

20 Analysis of net assets between funds

Group	Unrestricted funds	Restricted funds	Total
Fund balances at 31 March 2026 are represented by:	£	£	£
Intangible fixed assets	-	-	-
Tangible assets	37,569	-	37,569
Current assets/(liabilities)	1,845,448	8,968,131	10,813,579
Non current liabilities	(288,802)	-	(288,802)
	<u>1,594,215</u>	<u>8,968,131</u>	<u>10,562,346</u>
Charity	Unrestricted funds	Restricted funds	Total
Fund balances at 31 March 2026 are represented by:	£	£	£
Intangible fixed assets	-	-	-
Tangible assets	25,054	-	25,054
Investments	1	-	1
Current assets (liabilities)	2,236,100	8,968,131	11,204,231
	<u>2,261,155</u>	<u>8,968,131</u>	<u>11,229,286</u>

21 Cash generated from operations

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Net movement in funds	7,820,478	(459,273)	7,508,018	(283,666)
Adjustments for:				
Finance costs	-	2,750	-	-
Amortisation and impairment of intangible assets	-	-	-	-
Loss on disposal of tangible fixed assets	-	2,335	-	-
Depreciation and impairment of tangible fixed assets	14,014	38,574	10,746	12,638
Movements in working capital:				
(Increase)/decrease in debtors	121,465	(89,349)	131,049	(149,442)
Increase/(decrease) in creditors	(286,910)	91,067	(15,049)	93,199
Cash generated/ (used) in operations	<u>7,669,047</u>	<u>(413,896)</u>	<u>7,634,764</u>	<u>(327,271)</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026**

22 Financial commitments, guarantees and contingent liabilities

Autism, Increasing Understanding (including Autistic Adult Support Fund (AASF))

The Trustees had an obligation to the Scottish Government to commit £1.0m of funding (2025: £1.1m) to the programme. The balance of funding as at 31st March 2026 of £0.02m will be made available during the year to 31st March 2027.

Bright Starts Breakfast Fund

The Trustees had an obligation to the Scottish Government to commit £2.9m of funding (2025: £nil) to the programme. The balance of funding as at 31st March 2026 of £0.5m will be made available during the year to 31st March 2027.

Changing Ideas

The Trustees had an obligation to a donor to commit £0.2m (2025: £0.1m) to the programme. The balance of funding as at 31st March 2026 of £0.03m will be made available during the year to 31st March 2027.

Changing Places Toilets Scotland Fund

The Trustees had an obligation to the Scottish Government to commit £5.0m of funding (2025: £nil) to the programme. The balance of funding as at 31st March 2026 of £4.7m will be made available during the year to 31st March 2027.

The Coutts Family

The Trustees had an obligation to donors to commit £0.3m (2025: £0.1m) to Inspiring Scotland funds, OFN, Linkup and Intandem to support the ventures within each portfolio. The balance of funding of £0.5m at 31st March 2026 will be distributed during the year to 31st March 2027.

Creative Communities

The Trustees had an obligation to Glasgow City Council (GCC) and the Scottish Government to commit £0.7m (2025: £0.3m) of grant funds to the programme. The balance of funding as at 31st March 2026 of £0.4m will be made available during the year to 31st March 2027.

Delivering Equally Safe

The Trustees had an obligation to the Scottish Government to commit £21.6m (2025: £19.4m) to the programme. The balance of funding as at 31st March 2026 of £0.009m will be made available during the year to 31st March 2027.

Equalities & Human Rights Fund

The Trustees had an obligation to the Scottish Government to commit £8.2m (2025: £8.6m) to the programme. The balance of funding as at 31st March 2026 of £0.008m will be made available during the year to the 31st March 2027.

Improving Access Fund

The Trustees had an obligation to the Scottish Government to commit £1.6m (2025: £nil) to the programme. The balance of funding as at 31st March 2026 of £1.6m will be made available during the year to the 31st March 2027.

Intandem

The Trustees had an obligation to the Scottish Government and other funders to commit £0.9m (2025: £1.1m) to the programme. The balance of funding as at 31st March 2026 of £0.1m will be made available during the year to 31st March 2027.

Learning Disabilities

The Trustees had an obligation to Scottish Government to commit £0.6m (2025: £0.9m) to the programme. The balance of funding as at 31st March 2026 of £0.04m will be made available during the year to 31st March 2027.

Neighbourhood Ecosystem Fund (NEF)

The Trustees had an obligation to various donors to commit £0.3m (2025: £0.2m) to the programme. The balance of funding as at 31st March 2026 of £0.08m will be made available during the year to 31st March 2027.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

22 Financial commitments, guarantees and contingent liabilities (continued)

Our Future Now (OFN)

The Trustees had an obligation to Scottish Government and corporate donors to commit £2.8m (2025: £3.4m) to the programme. The balance of funding as at 31st March 2026 of £0.4m will be made available during the year to 31st March 2027.

Perinatal & Infant Mental Health (PIMH)

The Trustees had an obligation to the Scottish Government to commit £1.0m (2025: £1.0m) to the programme. The balance of funding as at 31st March 2026 of £0.08m will be made available during the year to 31st March 2027.

Support in the Right Direction (SiRD)

The Trustees had an obligation to the Scottish Government to commit £3.1m (2025: £3.3m) to the programme. The balance of funding at 31st March 2026 of £0.5m will be made available during the year to 31st March 2027.

Survivors of Childhood Abuse Scotland (SOCAS)

The Trustees had an obligation to Scottish Government to commit £2.2m (2025: £1.22m) to the programme. The balance of funding at 31st March 2026 of £0.01m will be made available during the year to 31st March 2027.

Thrive Outdoors

The Trustees had an obligation to the funders of the Thrive Outdoors portfolio to commit £0.9m (2025: £0.7m), to the activities within the Thrive Outdoor programmes. The balance of funding at 31st March 2026 of £0.2m will be made available during the year to 31st March 2027.

23 Operating lease commitments

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

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Withing one year	37,730	49,195	37,730	49,195
Between one and five years	-	38,257	-	38,257
	<u>37,730</u>	<u>87,452</u>	<u>37,730</u>	<u>87,452</u>

Operating lease charges payable in the year amounted to £42,470 (2025: £45,911)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

24 Related Party Transactions

Transactions with the subsidiary Willow Den (Scotland) Limited includes an unsecured loan of £100,000 (2025: £100,000) which is regarded as concessionary as it does not incur any interest until the 10th anniversary of draw down. The balance is repayable in 48 equal monthly instalments commencing in July 2031. Other payments of £nil (2025: £645) were made on behalf of Willow Den for employee benefits, at the year end £363,291 (2025: £378,010) inclusive of the loans of £100,000 was due to the parent. The remaining £263,291 is an interest free working capital loan due to commence repayment in April 2026 at a rate of £12,000 per annum.

Two members of Inspiring Scotland's Senior Leadership Team of Inspiring Scotland are also Directors of Willow Den Scotland Ltd. No Directors received remuneration.

Remuneration of key management personnel

The Trustees consider the Board of Trustees and the executive management team to comprise the key management personnel of the group in charge of directing and controlling, running and operating the group on a day to day basis. All Trustees give their time freely and no Trustees received any remuneration in the year. During the year, the executive management team consisted of 5 individuals (2025: 5) and is listed at the front of the accounts. The remuneration of key management personnel is as follows:

Group		Charity	
2026	2025	2026	2025
£	£	£	£
419,889	374,019	419,889	374,019

Other related party transactions

There are no other related party transactions for the year to 31st March 2026.