

Registered number: SC193404
Charity number: SC031026

THE CAPITAL CITY PARTNERSHIP LIMITED
(A company limited by guarantee)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE CAPITAL CITY PARTNERSHIP LIMITED
(A company limited by guarantee)

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THE CAPITAL CITY PARTNERSHIP LIMITED

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

Directors
Donald Urquhart
Bridget Ashrowan (resigned 3 September 2024)
Jane Meagher (resigned 22 May 2025)
Jack Caldwell
Simita Kumar
Lezley Marion Cameron (appointed 22 May 2025)

**Company registered
number** SC193404

**Charity registered
number** SC031026

Registered office
Foxglove Offices
14 Links Place
Edinburgh
EH6 7EZ

**Company secretary
(Chief Executive Officer)** Rona Hunter

Independent auditors
Sumer Auditco Limited
Chartered Accountants
Pentland House
Saltire Centre
Glenrothes
Fife
KY6 2AH

Bankers
The Bank of Scotland
52 Shandwick Place
Edinburgh
EH2 4SB

Solicitors
Burness Paul Solicitors
50 Lothian Road
Edinburgh
EH3 9WJ

THE CAPITAL CITY PARTNERSHIP LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Directors have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2025.

STATUS

The company is an arm's length organisation (ALEO) of the City of Edinburgh Council (CEC), a charitable company limited by guarantee incorporated on 5 February 1999 and recognised as a charity by the Inland Revenue on 1st April 2000. The company is a registered charity registered with the Scottish Charity Regulator with registration number SC031026.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

PRINCIPAL ACTIVITIES

The Capital City Partnership (CCP), since its formation, has promoted community regeneration by using a robust evidence base to report on and add value to local programmes and mainstream services aimed at tackling aspects of exclusion, disadvantage and poverty. It continues to bring together key statutory, voluntary, community and private sector organizations to promote change and joint working in order to address poverty. Drawing on the expertise of the staff team and its partners, CCP identifies and addresses the barriers to social inclusion by promoting a collaborative approach to tackling poverty.

The Partnership supports the Joined Up For Jobs, Joined Up for Business and Joined Up for Families strategies. It also supports specific elements of the Edinburgh and Southeast Scotland City Region Deal, UK shared Prosperity and Regional Prosperity programmes. Resources are focused on a range of activities including procurement and performance management of employment support services to supplement the statutory services delivered by its member agencies.

The status of the company as an arm's length organisation (ALEO) of the City of Edinburgh Council is deemed to be the most appropriate means of providing an efficient delivery mechanism for employability services in a financially challenging economic situation. This mechanism is supported by a service level agreement (SLA) between the City of Edinburgh Council and Capital City Partnership and secures funding levels on an annual basis. The SLA provides guidance on the respective roles and responsibilities of the two organisations and a robust collaborative approach to service delivery across key areas.

Under the Service Level Agreement, Capital City Partnership's focus is on provision of contract, performance, audit and compliance management functions for services funded within the city's Integrated Employability Service. It also provides development / support to the city's Jobs Strategy including a web-based MIS, websites, directories and online forums.

The company also manages the Intensive Family Service, Integrated Knowledge Systems and Integrated Employer Engagement activities for six local authority regions under the Edinburgh and Southeast Scotland City Region Deal which runs until 2026.

ORGANISATION STRUCTURE

The Capital City Partnership is governed by a Memorandum and Articles of Association which stipulates the statutory and non statutory organisations which form the partnership and from which the Board of Directors is appointed. Members of the Board of Directors, who are Directors for the purposes of company law and trustees for the purposes of charity law, who served during the period up to the date of this report are listed on page 1. The Directors are elected at the AGM to serve at least until the next AGM.

The Board of Directors maintains its ability to gather opinion and expertise from a wide range of organisations, thus influencing policy and improving the steering role of the Board of Directors.

THE CAPITAL CITY PARTNERSHIP LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Board meetings are scheduled on a quarterly basis however the Chair can convene extraordinary meetings of the Board in addition to scheduled meetings if circumstances require urgent action. The Board is responsible for all strategic decisions. The Chief Officer has delegated authority from the Board to manage the organisation on a day to day basis, to make funding decisions in relation to core operational matters and to recommend strategic decisions for discussion / homologation by the Board. The Chief Executive and staff hold fortnightly team meetings at which projects and activities are discussed and progress reviewed.

ACHIEVEMENTS AND PERFORMANCE

Over the course of the year, the company contract managed and performance monitored approximately 120 projects, 80 of which fall under the auspices of the CEC Employability Programme. The company also maintained common infrastructure including the web-based MIS and Joined Up For Jobs website / directories.

The key areas of focus in 2024-25 (as reported to the city council under our SLA reporting requirements) were;

- To monitor and report performance of the employability services contracts as specified under the SLA with the City of Edinburgh Council
- To facilitate the Job Strategy and Joined Up for Business Groups.
- To lead on and develop three workstreams of the Edinburgh and South East Scotland City Regional Deal Employability and Skills sector.
- To maintain a focus (in respect of services managed) on the city's most disadvantaged residents and communities while acknowledging that the economic situation was impacting across the wider population.
- To strive to impact upon the reduction of in work poverty
- To promote recruitment skills models in Fort Kinnaird, city centre and through a vocational training framework model

The company is a core stakeholder in the Employability Skills (IRES) element of the Edinburgh and Southeast Scotland City Regional Deal, with lead responsibility for the Integrated Knowledge Systems (IKS) and delivery of the Integrated Employer Engagement (IEE) and Intensive Family Support (IFS) services. The IKS team continued to develop the Helix Management Information System and progressed the on boarding of the six regional authorities along with an extended reach to other employability organisations. The IEE team developed and managed skills programmes for the regional energy masterplan and expanded the community benefit proposals for regional construction programmes. The IFS team continued to contract manage services in the six LA regions and delivered anti stigma training sessions. The company also managed a series of pilot projects for the six local authorities under the Regional Prosperity Fund.

Cost of Delivery

Core expenditure for the company is primarily staff and office related however efforts were made to ensure that core costs remain low in proportion to overall expenditure. Net staff and operational costs account for 5.8% of overall expenditure.

FUTURE PLANS

The focus is upon monitoring and supporting existing activity streams while securing additional funding and identifying emerging themes. The challenge continues to be the economic situation in terms of lower job security, cost of living crisis and increased poverty. In response CCP continues to work with partners across a broad spectrum to support new, innovative and effective services wherever possible. The company continues to provide added value to the employability landscape with significant projected leverage annually against SLA target.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Fulfillment of the requirements of the Service Level Agreement with CEC will remain a focus in the coming year, covering contract management of UK Shared Prosperity Fund, Parental Employment Support, Vocational Training Framework and the Integrated Regional Employability Skills elements of the Edinburgh and Southeast Scotland City Regional Deal, forging strong partnerships with employability and employer engagement teams across the partner agencies and tackling poverty holistically through family focused support.

Key national and local authority data will continue to inform the direction of travel for CCP in the coming year.

GRANT MAKING POLICY

Capital City Partnership works with a range of funders and grant making policy is driven by specific funder requirements combined with statutory financial and regulatory rules but is founded upon a programme of funding which is outcome based and employability focused.

Grants are made to organisations for specific activities which meet the requirements set out in the funding guidance documents. Funding panels comprising representatives of each funding partner will score funding applications to strict criteria and award funds based both on aggregate score and funding limitations. Contracts drawn up with the successful organisations stipulate funding criteria, reporting format / timeframe, payment schedule and actions required throughout the year.

Progress is monitored by CCP and reported to the Board of Directors through performance management reports.

RISK MANAGEMENT

Systems and procedures are regularly reviewed and risk assessments / mitigating actions are regularly assessed to support staff remote working and also office based across the four offices which are Leith Links, Fort Kinnaird, St James Quarter and Granton.

Investment in IT is integral to all projects in order to bolster the remote working capacity of the organisation including improved cloud back up and anti-virus. The staff handbook and company policies are regularly reviewed and updated to be compliant with current employment law / GDPR requirements. A risk register is reviewed regularly by the management team and the ESESCRD activities require mandatory monthly / quarterly risk reports.

RESERVES POLICY

Reserves are being maintained at a relatively high but healthy level in response to the exceptional circumstances of global economic volatility, fluctuation in pension investments, potential for additional liabilities as a result of volatile markets, ending of specific funding streams and the cost of potential company restructuring in the next two years.

The Unrestricted General Fund represents the unrestricted funds arising from past operating results. It also represents the free reserves of the charity. The directors are satisfied that the fund, amounting to £854,588 (2024: £717,437) approximates to the equivalent of 14 months operating expenditure. The Board aims to have a free reserve target of up to 12 months, which at current operating levels equates to £754,193.

The Designated Fund was created by the Directors to cover costs in relation to company review and restructure over the next three years, in preparation for various programmes ending and new themes emerging. The Designated fund was set at £200,000 of which, £37,984 expenditure was incurred in Financial years 2023-25 and the balance is £162,016 however further expenditure is anticipated against the Designated Fund in financial year 2025-26.

THE CAPITAL CITY PARTNERSHIP LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

The Restricted Funds represent those activities which have included support from external funding sources whose criteria limits the use of the funds or stipulates specific reporting requirements. CCP aims to support activities using any appropriate funds made available for the purpose and in doing so, the organisation takes care to scrutinise funding agreements and adhere to any specific requirements therein. The Directors are aware of the need for transparency and accountability; therefore all restricted funds are accounted for using dedicated cost centres and reports are provided to funders as per contractual agreements.

FINANCIAL REVIEW

The Board of Directors regularly receives financial reports and exercises prudence when necessary. The annual budget is set at the first board meeting of the year alongside budget outturn for the preceding year. Routine updates are provided to directors in year with attention drawn to variations on budget. A report detailing performance of contracted services is also provided to the Board of Directors at each meeting along with a summary of contracted services values, leverage secured and current live funding bids. The reserves position is reviewed regularly to ensure an adequate but not excessive reserve is maintained for operational activities and other liabilities. Financial operations in general have been within the anticipated level. Given the fluctuating position year on year in respect of Lothian Pension Fund (LPF) liabilities and the continuing reductions in core income from the SLA, the company is focused on reducing overheads and maximising / diversifying income. Biannual structural reviews are undertaken, financial forecasts are reviewed quarterly.

Income for 2025 was £11,010,601 against prior year £11,763,710. The decrease of £753,109 is due to a contraction of elements of the CEC grant management programme in 2024-25 due to local authority budget cuts. Expenditure in 2025 was £11,023,932 against prior year £11,403,313 which represents a decrease of £379,381 and reflects lower level of funding dispersal under CEC SLA arrangement with higher associated support costs.

GOING CONCERN

The Directors have prepared the financial statement on a going concern basis as a review of the budget for the 2025/26 period indicates that reserves are adequate to meet the needs of the organisation for the foreseeable future. In making this assessment the Board have considered the 12 month period beyond sign off and in doing so are aware that the Service Level Agreement in place with the City of Edinburgh Council has been approved for a three year period to March 2027 with detailed funding allocation agreed annually. The Board are confident that adequate levels of funding will be received and in light of holding net current assets on 31 March 2025 of £2,563,848 which are mainly represented in cash they support the going concern basis of preparation for a period of 12 months from date of approval of these financial statements.

MEMBERS

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees on 31 March 2025 was 4.

THE CAPITAL CITY PARTNERSHIP LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

DIRECTORS RESPONSIBILITIES

The Directors are responsible for preparing the Directors report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period.

In preparing these financial statements, the Directors are required to:

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

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

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

THE CAPITAL CITY PARTNERSHIP LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Sumer Auditco Limited, have indicated their willingness to continue in office. The designated Directors will propose a motion reappointing the auditors at a meeting of the Directors.

Approved by order of the members of the board of Directors on 3 September 2025 and signed on their behalf by:

Donald Urquhart
Director

THE CAPITAL CITY PARTNERSHIP LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAPITAL CITY PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of The Capital City Partnership Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' 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 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 Directors with respect to going concern are described in the relevant sections of this report.

THE CAPITAL CITY PARTNERSHIP LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAPITAL CITY PARTNERSHIP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors 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 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors (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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

THE CAPITAL CITY PARTNERSHIP LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAPITAL CITY PARTNERSHIP LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities and Trustee Investment (Scotland) Act 2005 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

THE CAPITAL CITY PARTNERSHIP LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAPITAL CITY PARTNERSHIP LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's 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 regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Directors those matters we are required to state to them in an Auditors' 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.

Greg Stapley (Senior statutory audit)

for and on behalf of

Sumer Auditco Limited

Chartered Accountants

Statutory Auditors

Pentland House

Saltire Centre

Glenrothes

Fife

KY6 2AH

3 September 2025

Sumer Auditco Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE CAPITAL CITY PARTNERSHIP LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	679,573	10,119,257	10,798,830	11,617,770
Investments	5	211,771	-	211,771	145,940
Total income		891,344	10,119,257	11,010,601	11,763,710
Expenditure on:					
Charitable activities	6	642,833	10,381,099	11,023,932	11,403,313
Total expenditure		642,833	10,381,099	11,023,932	11,403,313
Net movement in funds before other recognised gains/(losses)		248,511	(261,842)	(13,331)	360,397
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes	20	427,000	-	427,000	184,000
Pension surplus not recognised	20	(542,000)	-	(542,000)	(283,000)
Net movement in funds		133,511	(261,842)	(128,331)	261,397
Reconciliation of funds:					
Total funds brought forward		883,093	1,826,893	2,709,986	2,448,589
Net movement in funds		133,511	(261,842)	(128,331)	261,397
Total funds carried forward		1,016,604	1,565,051	2,581,655	2,709,986

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

The notes on pages 15 to 37 form part of these financial statements.

THE CAPITAL CITY PARTNERSHIP LIMITED**(A company limited by guarantee)****REGISTERED NUMBER: SC193404****BALANCE SHEET****AS AT 31 MARCH 2025**

			2025 £	2024 £
Fixed assets				
Tangible assets	12		17,807	15,460
			17,807	15,460
Current assets				
Debtors	13	758,856	575,368	
Cash at bank and in hand		2,144,222	2,771,806	
		2,903,078	3,347,174	
Current liabilities				
Creditors: amounts falling due within one year	14	(339,230)	(652,648)	
Net current assets			2,563,848	2,694,526
Total net assets			2,581,655	2,709,986
Charity funds				
Restricted funds	15	1,565,051		1,826,893
Unrestricted funds				
General reserve	15	854,588	717,437	
Designated fund	15	162,016	165,656	
Total unrestricted funds	15	1,016,604		883,093
Total funds			2,581,655	2,709,986

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Directors on 03 September 2025 and signed on their behalf by:

Donald Urquhart

Director

The notes on pages 15 to 37 form part of these financial statements.

THE CAPITAL CITY PARTNERSHIP LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

		2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	17	(721,314)	435,892
Cash flows from investing activities			
Interest receivable		103,771	43,940
Purchase of tangible fixed assets		(10,041)	(4,750)
Net cash provided by investing activities		93,730	39,190
Change in cash and cash equivalents in the year		(627,584)	475,082
Cash and cash equivalents at the beginning of the year		2,771,806	2,296,724
Cash and cash equivalents at the end of the year	18	2,144,222	2,771,806

The notes on pages 15 to 37 form part of these financial statements

THE CAPITAL CITY PARTNERSHIP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The Capital City Partnership is a charitable company limited by guarantee, incorporated in Scotland, UK. The company's registered office and company number are disclosed on the company information page. The Capital City Partnership Limited constitutes a public benefit entity as defined by FRS 102. The Company's principal activity is as described in the directors' report.

The presentation currency of these financial statements is GBP. Rounding to the nearest pound has been applied in the preparation of these financial statements

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

2.2 Going concern

The company currently operates with a mixture of public and private sector funding. A Service Level Agreement (SLA) with the City of Edinburgh Council is a key aspect of the financial stability of the company as is the Edinburgh and Southeast Scotland City Regional Deal funding (ESESCRD). The SLA which was due to expire in March 2024 was renewed by the City of Edinburgh Council from April 2024 for a three year period.

Given the nature of the work undertaken by the company and the current economic climate, demand for services has been high, with employability, skills, labour market intelligence, welfare support and tackling poverty and social injustice being high on the national agenda. The need for this work is increasing as the detrimental effects of the economic situation become apparent. There is no indication that CEC SLA funding nor Scottish Government ESESCRD funding will cease and every indication that services will continue to be required at a more intensive pace.

The unexpected removal of either of these funding streams would not only impact on the company's ability to secure financial leverage which is key to current strategic plans, but would seriously affect the viability of the company, however as the demand for services is increasing and both funding streams are considered relatively stable, the risk that this scenario would arise is deemed relatively low and a policy of bolstering the general reserve last year was deliberately pursued with the aim of mitigating the effects of volatility such as may be generated by the current economic situation. Financial models have been prepared for the period to March 2026 which set out the funding streams, their probability and the associated costs as well as the cash flow position for the same period.

The Directors therefore consider that operational capacity, demand for services and current financial health of the company do not represent a material uncertainty in relation to the going concern basis of preparation of the financial statements.

THE CAPITAL CITY PARTNERSHIP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.3 Consolidation

The charity's financial statements are consolidated within the financial statements of the City of Edinburgh Council. As stated in the Articles of Association, The City of Edinburgh Council are the members of the charitable company and as a result have control over the activities of the charity as well as the ability to appoint and remove directors. The consolidated statements are available to the public and can be obtained from www.edinburgh.gov.uk.

2.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. However, the cost of overall direction and administration on each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Charitable activities	80%
Support costs	20%

Governance costs are charged directly to the Statement of Financial Activities when incurred and include audit and accountancy fees and any directors' expenses. These are charged to the activity to which they relate.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants are recognised in full in the Statement of Financial Activities in the year in which an offer is formally accepted by the benefactor.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Fixtures and fittings	- over 4 years
Office equipment	- over 3 years

2.8 Debtors

Short term debtors are measured at the transaction price, less any impairment. Grants receivable are recognised in so far as the conditions attached to the grants have been met and have been demonstrated to the grant giver. Prepayments are valued at the amount prepaid.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.13 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

The Company participates in a multi-employer defined benefit pension scheme into which payments are made. The current service costs are charged to the Statement of Financial Activities as they fall due (see note 20). The information is based on a full actuarial valuation dated 31 March 2023.

The organisation fully adopts the Financial Reporting Standard FRS102 Section 28 'Employee Benefits'. The scheme actuary has calculated the split of net assets and liabilities between the participating employers. The impact on the results and on reserves is given in note 20 to the financial statements and the Statement of Financial Activities.

The Statement of Financial Activities is charged with the cost of providing pension benefits earned by employees in the period. The interest on pension scheme assets less the interest on pension scheme liabilities is included as part of this charge. Actuarial gains and losses arising in the period from the difference between actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in demographics and financial assumptions, are included in total recognised gains and losses.

The organisation's share of the accumulated pension scheme surplus is not recognised or included in the balance sheet. The trustees do not believe the Company is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

3. Key judgement and areas of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The key judgements and sources of estimation uncertainty in the preparation of the financial statements are as follows:

Grants receivable and payable

The level and timing of income and expenditure in relation to grants is an area of key judgement as it is determined for accounting purposes by referring to the conditions of grant. Grants receivable are recognised in so far as the conditions attached to the grant have been met and have been demonstrated to the grant giver. The level and timing of provision to grant recipients is determined by monitoring grant criteria and ensuring that conditions are being met.

Pension

The actuarial assumptions used in calculating the defined benefit pension scheme requires judgement on the part of the Directors. In making these assumptions, advice has been taken from an independent qualified actuary. The assumptions are all shown in note 20.

THE CAPITAL CITY PARTNERSHIP LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Grants			
Employer engagement	-	-	-
City of Edinburgh Council	679,573	3,763,843	4,443,416
City Regional Deal	-	1,507,108	1,507,108
Skills centres	-	781,039	781,039
Joined Up For Families	-	244,980	244,980
UK Shared Prosperity Fund	-	2,776,129	2,776,129
Regional Prosperity Framework	-	716,158	716,158
Youth Programme	-	330,000	330,000
	679,573	10,119,257	10,798,830

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Grants			
Employer engagement	30,000	-	30,000
City of Edinburgh Council	617,212	3,911,265	4,528,477
City Regional Deal	-	1,486,957	1,486,957
Skills centres	-	1,008,151	1,008,151
Joined Up For Families	-	390,810	390,810
UK Shared Prosperity Fund	-	3,620,097	3,620,097
Regional Prosperity Framework	-	228,278	228,278
Youth Programme	-	325,000	325,000
	647,212	10,970,558	11,617,770

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £
Bank interest	103,771	103,771
Interest on defined benefit scheme asset	108,000	108,000
	<u>211,771</u>	<u>211,771</u>

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Bank interest	43,940	43,940
Interest on defined benefit scheme asset	102,000	102,000
	<u>145,940</u>	<u>145,940</u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Furthering social justice in Edinburgh	<u>642,833</u>	<u>10,381,099</u>	<u>11,023,932</u>

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total 2024 £</i>
Furthering social justice in Edinburgh	<u>719,996</u>	<u>10,683,317</u>	<u>11,403,313</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

7. Analysis of grants

	Grants to Institutions 2025 £	Total funds 2025 £
Furthering social justice in Edinburgh	8,327,150	8,327,150
	<i>Grants to Institutions 2024 £</i>	<i>Total funds 2024 £</i>
Furthering social justice in Edinburgh	8,841,671	8,841,671

The Charity has made the following material grants to institutions during the year:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Grants Payable

	2025	2024
	£	£
Action for Children	248,385	226,099
Advice Infrastructure	7,800	-
All Cleaned Up Scotland	-	53,614
Alpha Tango	21,570	-
Access to Industry	723,608	546,789
Apex Scotland	213,242	221,106
Barnardos	504,667	436,304
Bike Station	49,939	34,979
Broomhouse Centre	288,271	366,005
Canongate Youth Project	-	40,000
CHAI	433,919	426,076
Challenges Worldwide	109,775	240,150
Childcare Connections	74,480	132,240
Children 1st	305,000	373,000
Citadel Youth Centre	148,616	141,899
Citizens Advice Edinburgh	13,000	-
Codebase	194,000	386,500
Community Renewal	371,759	360,000
Datakirk	10,500	42,000
Dean & Cauvin	54,634	50,000
Dunedin Canmore/Wheatly	-	189,422
Edible Estates	154,351	169,053
Edinburgh Chamber of Commerce	186,533	121,532
Edinburgh College - Nursery	9,733	-
Edinburgh Cyrenians	501,880	400,935
Edinburgh Innovations	110,138	-
Edinburgh Trade Unions Council	53,900	49,000
Empty Kitchens Full Hearts	53,620	77,819
ESESCRD IEE Employer Fund	48,130	49,512
ESESCRD IEE RSC Fund	-	18,283
ESESCRD IEE Enabling Grants	63,710	51,700
ENABLE Scotland	-	75,000
Energy Training Academy	-	6,276
ERCC	39,586	16,167
Everyones Edinburgh	-	6,250
EVOC	88,687	96,188
Fair Ltd	22,000	-
Festivals Edinburgh	49,500	-
Fife Council	95,000	-
Fife Gingerbread	140,000	140,000
Freshstart	15,902	34,938
Foursquare	82,500	75,000
Hanlon Systems	65,770	57,900
Homestart	9,629	34,000
Impact Arts	82,500	75,000
Intowork	30,000	30,000
Kidzcare	42,317	126,950
LIFT	30,360	37,153
Linknet	65,978	59,980

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Grants Payable (continued)

	2025	2024
	£	£
Napier University	-	30,000
NKS (Networking Key Services)	78,000	61,650
North Edinburgh Childcare	238,032	395,369
One Parent Family Scotland	65,812	64,452
Passion for Fusion	41,721	41,520
People Know How	63,750	60,000
Poverty Alliance	66,204	62,334
Princes Trust	167,312	169,560
Project Esperanza	15,000	25,000
Rural and Urban Training Scheme	82,500	75,000
Saheliya	44,626	44,626
Score Scotland	-	22,500
Scottish Borders Council	85,000	85,000
Smart Data Foundry	38,000	-
Smilechildcare	236,527	258,813
Sniffer	274,000	102,000
SOHTIS	13,298	53,193
South of Scotland Enterprise	-	2,000
Southside Community	1,550	23,210
Spartans Com Football Academy	-	330,000
Stepping Stones	16,274	20,584
Triage	93,000	-
Verdancy Group	90,000	-
Volunteer Centre Edinburgh	228,920	209,062
Volunteering Matters	110,596	101,493
Welcoming Association	56,089	55,807
West Lothian College	93,879	18,775
West Lothian Council	100,000	100,000
Wheatley Foundation	94,510	-
Womans Aid	64,389	72,859
Grants under £5,000	14,624	5,835
Grants repaid to City of Edinburgh Council	38,649	276,211
	<u>8,327,150</u>	<u>8,841,671</u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Grant funding of activities 2025 £	Support costs 2025 £	Total funds 2025 £
Furthering social justice in Edinburgh	2,134,744	8,327,150	562,038	11,023,932

	<i>Activities undertaken directly 2024 £</i>	<i>Grant funding of activities 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total funds 2024 £</i>
Furthering social justice in Edinburgh	2,035,743	8,841,671	525,899	11,403,313

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2025 £	<i>Total funds 2024</i> £
Staff costs	1,666,172	1,452,357
Depreciation	6,155	5,292
Direct activity costs	462,417	578,094
	2,134,744	2,035,743

Analysis of support costs

	Total funds 2025 £	<i>Total funds 2024</i> £
Staff costs	418,294	362,340
Depreciation	1,539	1,323
Management, IT, finance and interest	115,205	144,596
Governance costs	27,000	17,640
	562,038	525,899

9. Auditors' remuneration

	2025 £	<i>2024</i> £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	14,000	13,000
Fees payable to the Company's auditor in respect of: All non-audit services not included above	6,000	5,750

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

10. Staff costs

	2025 £	2024 £
Wages and salaries	1,662,399	1,493,309
Social security costs	168,028	152,220
Contribution to defined contribution pension schemes	40,039	53,168
Operating costs of defined benefit pension schemes	214,000	167,000
Refund of strain payment from defined benefit pension schemes	-	(51,000)
	2,084,466	1,814,697

The average number of persons employed by the Company during the year was as follows:

	2025 No.	2024 No.
Senior executive	2	2
Project and support staff	36	34
Finance and admin staff	2	2
	40	38

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

11. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2024 - £nil).

During the year ended 31 March 2025, no Director expenses have been incurred (2024 - £nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

12. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2024	78,475	84,119	162,594
Additions	-	10,041	10,041
At 31 March 2025	78,475	94,160	172,635
Depreciation			
At 1 April 2024	72,436	74,698	147,134
Charge for the year	717	6,977	7,694
At 31 March 2025	73,153	81,675	154,828
Net book value			
At 31 March 2025	5,322	12,485	17,807
At 31 March 2024	6,039	9,421	15,460

13. Debtors

	2025 £	2024 £
Prepayments and accrued income	20,834	-
Grants receivable	738,022	575,368
	758,856	575,368

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	1,138	224,104
Accruals and deferred income	244,698	189,939
Other taxation and social security	39,745	38,473
Accruals for grants payable/repayable	53,649	200,132
	339,230	652,648
	2025	2024
	£	£
Analysis of deferred income		
Deferred income at 1 April 2024	159,834	190,473
Resources deferred during the year	209,785	159,834
Amounts released from previous periods	(159,834)	(190,473)
	209,785	159,834

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds					
General reserve	717,437	891,344	(754,193)	-	854,588
Pension reserve	-	-	115,000	(115,000)	-
Designated fund	165,656	-	(3,640)	-	162,016
	<u>883,093</u>	<u>891,344</u>	<u>(642,833)</u>	<u>(115,000)</u>	<u>1,016,604</u>
Restricted funds					
Employability Programme	652,824	3,763,843	(3,816,070)	-	600,597
Edinburgh and East of Scotland City Regional Deal	43,293	1,507,108	(1,532,997)	-	17,404
Recruitment Skills Centres	787,724	781,039	(821,353)	-	747,410
Joined Up For Families	202,974	244,980	(328,743)	-	119,211
Youth Programme	4,579	330,000	(334,579)	-	-
UK Shared Prosperity Fund	27,996	2,776,129	(2,723,672)	-	80,453
Regional Prosperity Framework	107,503	716,158	(823,685)	-	(24)
	<u>1,826,893</u>	<u>10,119,257</u>	<u>(10,381,099)</u>	<u>-</u>	<u>1,565,051</u>
Total of funds	<u><u>2,709,986</u></u>	<u><u>11,010,601</u></u>	<u><u>(11,023,932)</u></u>	<u><u>(115,000)</u></u>	<u><u>2,581,655</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2024 £</i>
Unrestricted funds					
General reserve	708,937	793,152	(784,652)	-	717,437
Pension reserve	-	-	99,000	(99,000)	-
Designated fund	200,000	-	(34,344)	-	165,656
	<u>908,937</u>	<u>793,152</u>	<u>(719,996)</u>	<u>(99,000)</u>	<u>883,093</u>
Restricted funds					
Employability Programme	693,024	3,911,265	(3,951,465)	-	652,824
Edinburgh and East of Scotland City Regional Deal	58,837	1,486,957	(1,502,501)	-	43,293
Recruitent Skills Centres	619,244	1,008,151	(839,671)	-	787,724
Joined Up For Families	155,924	390,810	(343,760)	-	202,974
Youth Programme	4,773	325,000	(325,194)	-	4,579
UK Shared Prosperity Fund	7,850	3,620,097	(3,599,951)	-	27,996
Regional Prosperity Framework	-	228,278	(120,775)	-	107,503
	<u>1,539,652</u>	<u>10,970,558</u>	<u>(10,683,317)</u>	<u>-</u>	<u>1,826,893</u>
Total of funds	<u>2,448,589</u>	<u>11,763,710</u>	<u>(11,403,313)</u>	<u>(99,000)</u>	<u>2,709,986</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Statement of funds (continued)

Purposes of unrestricted funds

General reserve comprises funds utilised for core activities of the charity.

Pension reserve represents the actuarial asset of the defined benefit pension scheme as calculated by the pension scheme actuary.

The **designated fund** comprises £200,000 to cover the costs of a strategic and structural review around the forward plan for the entity to take place over the period to 31 March 2026.

Purposes of restricted funds

Employability Programme comprises grants to employability organisations, targeted integrated employability service, activity agreements, support to childcare hubs, parental employment support grants and a wider range of employability support.

Other funds managed by the company included:

Edinburgh and Southeast Scotland City Region Deal (ESESCRD) - This programme provides three key activities under the employability and skills element of the City Region Deal across six local authority regions, namely Intensive Family Services (IFS), Integrated Knowledge Systems (IKS) and Integrated Employer Engagement (IEE).

Recruitment Skills Centres - these funds support the operation of recruitment skills centre models in two locations, Fort Kinnaird Retail Park and the MacMillan Skills hub in Edinburgh Waterfront with the aim of maximising employment and upskilling opportunities for disadvantaged communities while matching labour force supply and demand in targeted sectors.

Joined Up for Families - this is a collaborative activity which support a range of employability, financial, welfare support and advice to families via schools and community hubs.

Youth programme - provides support and services to disadvantaged young people by identifying innovative and timely interventions to move young people into employment, training and life experience.

UK Shared Prosperity Fund (UKSPF) - this is a levelling up fund provided through the City of Edinburgh Council, which supports a diverse range of projects under three overarching priorities: communities and place, supporting local business and people/skills with the aim of building pride in place and increasing life chances.

Regional Prosperity Framework (RPF) - this a levelling up fund provided through six local authorities which aims to develop innovative regional projects in a range of fields including energy, tourism and climate research.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets by fund

	General reserve 2025 £	Designated fund 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	17,807	-	-	17,807
Net current assets	836,781	162,016	1,565,051	2,563,848
Net assets at 31 March 2025	854,588	162,016	1,565,051	2,581,655
	<i>General reserve 2024 £</i>	<i>Designated fund 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	15,460	-	-	15,460
Net current assets	701,977	165,656	1,826,893	2,694,526
Net assets at 31 March 2024	717,437	165,656	1,826,893	2,709,986

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	(13,331)	360,397
Adjustments for:		
Depreciation charges	7,694	6,614
(Increase)/decrease in debtors	(183,488)	736,431
Decrease in creditors	(313,418)	(524,610)
Interest receivable	(103,771)	(43,940)
Net Interest (receivable)/payable - pension scheme	108,000	(102,000)
Defined benefit pension scheme - FRS 102 adjustment less employer contributions	(223,000)	3,000
Net cash provided by/(used in) operating activities	(721,314)	435,892

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

18. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	2,144,222	2,771,806
Total cash and cash equivalents	<u>2,144,222</u>	<u>2,771,806</u>

19. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	2,771,806	(627,584)	2,144,222
	<u>2,771,806</u>	<u>(627,584)</u>	<u>2,144,222</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

20. Pension commitments

The Capital City Partnership operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £40,039 (2024 - £53,168). No amounts were payable to the fund at the balance sheet date (2024 - £nil).

The Company operates a defined benefit pension scheme.

The Capital City Partnership participates in The Lothian Pension Fund Final Salary Pension Scheme (the "Scheme"). The Scheme is a multi-employer defined benefit scheme and is funded.

During the accounting period The Capital City Partnership paid contributions at the rate of 18.8%. Member contributions were paid on a sliding scale dependent upon salary level and range from 5.5% to 12%. The Capital City Partnership contribution rate from April 2025 is 18.8%.

As at 31 March 2025 there were 14 active (2024 - 14) and 15 deferred (2024 - 15) members of the Scheme employed. The Capital City Partnership continues to offer membership of its scheme to its employees and pensioners.

The last full valuation of the scheme was performed as at 31 March 2023 by a professional qualified actuary using the "projected unit credit" method. This has been updated to reflect conditions at 31 March 2025.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 March 2025 %	At 31 March 2024 %
Future pension increases	2.75	2.75
Future salary increases	3.45	3.25
Discount rate	5.80	4.85

	At 31 March 2025 Years	At 31 March 2024 Years
Mortality rates (in years)		
- for a male aged 65 now	21.3	21.3
- at 65 for a male aged 45 now	21.6	21.7
- for a female aged 65 now	23.8	23.8
- at 65 for a female aged 45 now	24.9	24.9

THE CAPITAL CITY PARTNERSHIP LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

20. Pension commitments (continued)

The Company's share of the assets in the scheme was:

	At 31 March 2025 £	At 31 March 2024 £
Equities	4,949,370	5,240,160
Bonds	1,434,600	1,237,260
Property	645,570	582,240
Cash and other liquid assets	143,460	218,340
Total fair value of assets	7,173,000	7,278,000

The actual return on scheme assets was £(436,000) (2024 - £436,000).

The amounts recognised in the Statement of financial activities are as follows:

	2025 £	2024 £
Current service cost	214,000	167,000
Interest income	(348,000)	(310,000)
Interest cost	240,000	208,000
Total amount recognised in the Statement of financial activities	106,000	65,000

Movements in the present value of the defined benefit obligation were as follows:

	2025 £	2024 £
Defined benefit obligation at 31 March 2024	4,856,000	4,350,000
Restrospective adjustment to prior year valuation	11,000	-
Defined benefit obligation at 1 April 2024	4,867,000	4,350,000
Current service cost	214,000	167,000
Interest cost	240,000	208,000
Contributions by scheme participants	76,000	60,000
Actuarial (gains)/losses	(863,000)	252,000
Benefits paid	(139,000)	(181,000)
Defined benefit obligation at 31 March 2025	4,395,000	4,856,000

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Pension commitments (continued)

Movements in the fair value of the Company's share of scheme assets were as follows:

	2025 £	2024 £
Fair value of scheme assets at 31 March 2024	7,278,000	6,489,000
Retrospective adjustment to prior year valuation	(175,000)	-
Fair value of scheme assets at 1 April 2024	7,103,000	6,489,000
Interest received	348,000	310,000
Contributions by scheme participants	76,000	60,000
Contributions by employer	221,000	164,000
Return on assets	(436,000)	436,000
Benefits paid	(139,000)	(181,000)
Fair value of scheme assets at 31 March 2025	7,173,000	7,278,000

21. Operating lease commitments

At 31 March 2025 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	19,392	18,552

22. Related party transactions

The charity has a code of conduct whereby a director of the charity must note his interest and withdraw from the discussion where the charity is considering awarding a grant to an organisation over which that director has an influence.

No transactions with related parties were undertaken as are required to be disclosed under Section 33 of Financial Reporting Standard 102 or Section 9 of Charities SORP (FRS 102) - 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.

Key management personnel include all Directors and 2 members of senior staff who together have responsibility for planning, directing and controlling the activities of the company. The total compensation in respect of key management for services provided to the company in the year, inclusive of employer's national insurance contributions was £215,067 (2024: £202,535).

No directors' expenses were reimbursed or received remuneration during the year (2024: £nil).