

Company registration number SC693269 (Scotland)

THE PROMISE SCOTLAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE PROMISE SCOTLAND LIMITED

COMPANY INFORMATION

Directors	Anna Black Jacqueline Brock Fiona Duncan David Garbutt Fraser McKinlay Philip Rycroft James Savege Victoria Underwood Jane O'Donnell	(Appointed 8 August 2022) (Appointed 8 August 2022) (Appointed 5 September 2022) (Appointed 21 July 2022) (Appointed 21 July 2022) (Appointed 8 August 2022) (Appointed 11 August 2023)
Company number	SC693269	
Registered office	C/O Brodies LLP Capital House 58 Morrison Street Edinburgh EH38BP	
Auditor	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife KY11 8PB	

THE PROMISE SCOTLAND LIMITED

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THE PROMISE SCOTLAND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their annual report and financial statements for the year ended 31 March 2023.

Principal Activities

The principal goal of the company continued to be to support and monitor implementation of the conclusions of the Independent Care Review.

The Promise Scotland is a non-statutory company, wholly owned by Scottish Ministers and fully funded by the Scottish Government. It exists to support and challenge efforts being made across Scotland to # KeepThePromise made to children, families and the care experienced community in the Independent Care Review.

Activities and Funding

More information on The Promise Scotland's activities can be found in the Annual Review '[Foundation to Focus](#).' It chronicles how the company has supported capacity building in the workforce through the Promise Design School, bolstered by engagement in communities throughout Scotland of the support team. It highlights projects like the Hearings for Children Redesign report, creating a clear vision and blueprint for the transformative change to the Hearings System so that the voice and rights of children and families are at the centre.

However, the Promise Scotland recognises the incredibly challenging financial environment in which many organisations and individuals are currently operating. As the financial statements make clear, the company has a single source of public funding and a responsibility to use that funding in the most impactful way possible, ensuring that it does not duplicate or hinder the efforts of others. This requires clear prioritisation on where and how The Promise Scotland can make the most difference. The company's areas of focus and an overview of activity for the 2023-24 period can be found in the [Strategic Work Programme](#).

The biggest resource, and therefore biggest expenditure, for The Promise Scotland is its staff team. 64% of expenditure in 2022-23 was on the staff team, which numbered an average of 23 people during the year. The company is now fully staffed, with 28 employees.

19% of expenditure supported the projects outlined above, and the remaining 17% covered other core costs, including premises, IT, accountancy, legal and other professional fees.

Governance

Fiona Duncan, the Chair, is appointed by Ministers. All other Directors are appointed independently of Government. The Chief Executive is a Director, and three Directors are nominated by their respective organisations – COSLA, SOLACE and the NHS Chairs Group. The remaining four Directors are independent. All Directors act in the best interests of The Promise Scotland and do not represent any other organisations in fulfilling their role. Directors follow four governance principles – independence, assurance, proportionality and transparency.

To ensure that use of resources is efficient, transparent and robust The Promise Scotland has a dedicated Governance and Operations Team. Prudent day to day management is overseen by Directors through the Finance Committee, which ensures the underlying financial stability of the organisation, and the Audit and Risk Committee. All Directors meet on a quarterly basis and more information on them can be found on our website.

Planned Obsolescence

The Promise Scotland will not become part of the 'system' it is seeking to change and will not exist past 2030. This commitment to its obsolescence is enshrined in its governing documents. It means financial and organisational planning is designed to secure the sustainable running for the duration of The Promise Scotland's lifetime. This managed process is an important area of focus for both the staff team and Directors, with a joint focus on achieving the strategic objectives, maintaining financial stability and, in time, managing the planned closure.

As Scotland completes the final year of Plan 21-24 and looks towards the development of Plan 24-30, The Promise Scotland is focusing on where support for lasting change will be most needed. Directors know more needs to be done and the pace needs to quicken, and more must be done to support the strenuous efforts being made by the workforce. The Promise Scotland is fully committed to supporting and catalysing that change, and this annual report highlights the firm and sustainable financial footing from which we will seek to achieve our mission.

THE PROMISE SCOTLAND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Anna Black	(Appointed 8 August 2022)
Jacqueline Brock	
Fiona Duncan	
David Garbutt	(Appointed 8 August 2022)
Sally-Ann Loudon	(Appointed 29 August 2022 and resigned 11 July 2023)
Fraser McKinlay	(Appointed 5 September 2022)
Philip Rycroft	(Appointed 21 July 2022)
James Savege	(Appointed 21 July 2022)
Victoria Underwood	(Appointed 8 August 2022)
Jane O'Donnell	(Appointed 11 August 2023)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 surplus or deficit 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;
- make judgements and accounting estimates that are reasonable and prudent;
- 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. 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Fiona Duncan
Director

13 December 2023

THE PROMISE SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE PROMISE SCOTLAND LIMITED

Opinion

We have audited the financial statements of The Promise Scotland Limited (the 'company') for the year ended 31 March 2023 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its surplus 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 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 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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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; and
- the directors' report has been prepared in accordance with applicable legal requirements.

THE PROMISE SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE PROMISE SCOTLAND LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 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' exemption 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 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 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 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.

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

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

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, posting of unusual journals along with complex transactions and manipulating the company's key performance indicators to meet targets. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

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

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

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

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

THE PROMISE SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE PROMISE SCOTLAND LIMITED

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sharon Collins (Senior Statutory Auditor)
For and on behalf of Thomson Cooper, Statutory Auditors
Dunfermline

18 December 2023

THE PROMISE SCOTLAND LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Income	2,130,996	1,681,000
Cost of sales	(1,757,730)	(1,495,313)
	<hr/>	<hr/>
Gross surplus	373,266	185,687
Administrative expenses	(373,266)	(185,687)
	<hr/>	<hr/>
Surplus before taxation	-	-
Tax on surplus	-	-
	<hr/>	<hr/>
Surplus for the financial year	<u>-</u>	<u>-</u>

THE PROMISE SCOTLAND LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		51,478		-
Current assets					
Debtors	4	47,760		27,403	
Cash at bank and in hand		240,674		1,330,837	
		<u>288,434</u>		<u>1,358,240</u>	
Creditors: amounts falling due within one year	5	<u>(339,912)</u>		<u>(1,358,240)</u>	
Net current liabilities			(51,478)		-
Net assets			<u>-</u>		<u>-</u>
Reserves	6		<u>-</u>		<u>-</u>

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

The financial statements were approved by the board of directors and authorised for issue on 13 December 2023 and are signed on its behalf by:

Fiona Duncan
Director

Company registration number SC693269 (Scotland)

THE PROMISE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

The Promise Scotland Limited is a private company limited by guarantee incorporated in Scotland. The registered office is C/O Brodies Llp Capital House, 58 Morrison Street, Edinburgh, EH38BP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have expect the company has adequate resources to continue in operational existence for a period of not less than twelve months from the signing of the accounts. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Income is derived from government grants. The profit and loss results in a breakeven as all profits are returned to the Scottish Ministers.

1.4 Income and expenditure

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.5 Tangible fixed assets

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

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

Leasehold land and buildings	Over life of the lease
Fixtures and fittings	7 years straight line
Computers	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

THE PROMISE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

THE PROMISE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business 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.

1.9 Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

1.11 Retirement benefits

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	23	18

THE PROMISE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Tangible fixed assets	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 April 2022	-	-	-	-
Additions	6,124	26,872	23,815	56,811
At 31 March 2023	<u>6,124</u>	<u>26,872</u>	<u>23,815</u>	<u>56,811</u>
Depreciation and impairment				
At 1 April 2022	-	-	-	-
Depreciation charged in the year	654	1,286	3,393	5,333
At 31 March 2023	<u>654</u>	<u>1,286</u>	<u>3,393</u>	<u>5,333</u>
Carrying amount				
At 31 March 2023	<u>5,470</u>	<u>25,586</u>	<u>20,422</u>	<u>51,478</u>
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4 Debtors			2023	2022
Amounts falling due within one year:			£	£
Other debtors			47,760	27,403
			<u>47,760</u>	<u>27,403</u>
5 Creditors: amounts falling due within one year			2023	2022
			£	£
Trade creditors			35,587	184,249
Amounts due to principal funder			151,679	1,034,149
Taxation and social security			31,583	20,383
Other creditors			121,063	119,459
			<u>339,912</u>	<u>1,358,240</u>
6 Members' liability				

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £100.

THE PROMISE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2023	2022
£	£
710,104	-
<u>710,104</u>	<u>-</u>

8 Capital commitments

Amounts contracted for but not provided in the financial statements:

2023	2022
£	£
Acquisition of tangible fixed assets	
44,833	-
<u>44,833</u>	<u>-</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.