

**Kingdom Support and Care CIC**

**Report and Accounts**

**For the year ended 31 March 2024**

Registration No. SC545491

<b>Contents</b>	<b>Page</b>
Board and Advisers	2
Strategic Report	3-8
Board Report	9
Statement of the Board's Responsibilities	10
Independent Auditor's Report to Members of Kingdom Support and Care Community Interest Company	11-14
Statement of Income and Retained Earnings	15
Statement of Financial Position	16
Statement of Cash Flows	17
Notes to the Financial Statements	18-25

**BOARD and ADVISERS**

**Board**  
Karen Koyman (Chairperson)  
David Brown (resigned August 2023)  
Thomas Barclay  
Kelly Brown  
Linda Leslie  
Jeff Lockhart  
Blair Loudon (resigned August 2023)  
David Robertson  
Ijeoma Okoro (appointed February 2024)  
Elizabeth Preston (appointed February 2024)  
Sandeep Simon (appointed May 2024)

**Registered Office**  
Saltire Centre  
Pentland Court  
Glenrothes  
KY6 2DA

**Registration Number** SC545491

**Independent Auditors**  
RSM UK Audit LLP  
Third Floor  
2, Semple Street  
Edinburgh  
EH3 8BL

**Principal Banker** Royal Bank of Scotland

**Registration with the Care Inspectorate**

Kingdom 1 Care at Home - CS2016351151  
Kingdom 1 Housing Support - CS2016351149  
Kingdom 1 Children and Young People - CS2016351145  
Kingdom Housing Support – James Bank - CS2016351141

Kingdom 2 Housing Support – CS2016351147  
Kingdom 2 Care at Home – CS2016351148

## **STRATEGIC REPORT**

The Board of Kingdom Support and Care Community Interest Company (KSC) submit their report together with the audited financial statements for the year ended 31 March 2024.

### **Status, Objectives and Strategy**

KSC is incorporated in Scotland as a Community Interest Company and registered with Companies House under the Companies Act 2006, registration number SC545491. The company is monitored by the Community Interest Company Regulator and is registered with the Care Inspectorate. KSC is a wholly owned subsidiary company of Kingdom Housing Association Limited (KHA).

Our objectives are to provide high quality support and care to individuals who face life challenges, including age-related issues, alcohol and drug addictions, autism spectrum disorders, complex needs, homelessness, learning disabilities and mental health issues.

Our strategy is to work with people in their own homes, assisting them to do the things that matter to them and realise their ambitions.

Our support and care enables individuals we work with to:

- Have a safe and secure home.
- Live as independently as possible.
- Live as full a life as possible.
- Be part of our community.

Our purpose is to provide great support which helps people to have great lives, living as fully and independently as possible as part of our community.

### **Governance**

KSC is governed by a Board of Directors, which comprised eight members at the end of the financial year. The composition of the Board changed over the course of 2023-24, with the resignation of two members and appointment of two new members.

The KSC Board meets quarterly and holds an annual strategy day. It also participates in Kingdom Group's annual strategy day.

The minutes of KSC Board meetings are shared with the KHA Board. KSC operates under agreed KHA Group policies, regulations and rules.

### **Principal Activities**

The principal activities of KSC are the provision of support and care to individuals in their own homes and the provision of temporary accommodation and outreach services for individuals affected by homelessness.

KSC has contracts with Falkirk and Fife Councils for the provision of support and care services. Subject to staffing levels, there is scope for the organisation to extend its activity in both local authority areas.

While KSC is on the National Care Framework, most of our business is with our public sector partners in Falkirk and Fife.

### **Review of the Year and Performance**

Over the course of 2023-24 KSC supported 340 (2023: 355) individuals to:

- Live as independently as possible, at home or in a homely setting.
- Maintain their dignity and human rights.
- Do the things that matter to them and play an active part in our community.

The individuals we work with require support for a range of reasons, including:

- Acquired brain injuries.
- Age-related needs.
- Alcohol and drug addictions.
- Autism spectrum disorders.
- Complex needs.
- Multiple conditions which co-exist, interlock and overlap.
- Homelessness.
- Learning disabilities.
- Mental health problems.

We provided tailored levels of support and care, in line with personal needs. Our support ranged from one hour to 245 hours per week per client. The youngest person we supported was 8 years old, while the oldest was 99.

In addition to daytime support, we provided sleepover or waking night assistance to individuals who required it.

We delivered 422,253 hours of support, an increase of 3% on the 2022-23 financial year. Around 75% of our activity was in Fife, while 25% was in Forth Valley.

We supported individuals affected by homelessness by providing temporary accommodation in Dunfermline, Inverkeithing, Kirkcaldy and Rosyth.

The Care Inspectorate assessed our services in June, August, September, October and December 2023. In June 2023, our Kingdom Housing Support 2 services received the following grades:

- How well do we support people's wellbeing? 3 (Adequate)
- How good is our leadership? 3 (Adequate)
- How good is our staff team? 3 (Adequate)

While these grades fell short of the standards our customers are entitled to expect, they were an improvement on the January 2023 inspection of the same service, when our leadership and wellbeing support were graded 2 (Weak). We implemented an improvement plan to lift our grades to a more acceptable level.

In August 2023, our Kingdom Housing Support James Bank services received the following grades:

- How well do we support people's wellbeing? 4 (Good)
- How good is our leadership? 3 (Adequate)

A follow-up inspection on our James Bank services was conducted in October 2023. The inspection assessed the progress made against a requirement made in our August 2023 report. The Care Inspectorate found that the requirement had been met within timescales.

In September 2023, our Kingdom Housing Support 1 services received the following grades:

- How well do we support people’s wellbeing? 5 (Very Good)
- How good is our leadership? 5 (Very Good)
- How good is our staff team? 5 (Very Good)

In December 2023, our Kingdom Care at Home Children and Young People’s service received the following grades:

- How well do we support people’s wellbeing? 5 (Very Good)
- How good is our leadership? 5 (Very Good)

Care Inspectorate reports provide an independent and informed assessment of the quality of our support and care services and help us improve. Our customers - the individuals we support and their families, our staff and our stakeholders - are entitled to expect high levels of performance. We will strive to meet or exceed their expectations, in our efforts to achieve “the gold standard” in social care.

In Spring 2024 Henderson Loggie conducted an internal audit on the *Follow-up of Maintenance of Care Quality Standards*. In 2023, our internal auditor had made nine recommendations for improvement, all of which were accepted in full.

Henderson Loggie found that good progress had been made over the course of the year, with seven of the nine recommendations (78%) categorised as “fully implemented”. Two (22%) recommendations were assessed as “partially implemented”.

Our internal auditor made seven new recommendations. An action plan has been put in place, to ensure the recommendations are met within a reasonable time frame. Reports on progress will be provided to Kingdom Group’s Audit, Finance and Risk Committee and to the KSC Board.

KSC continued to receive positive feedback from our customers. The quotes below provide a flavour of customer sentiment:

- “All my Kingdom support staff are very friendly and helpful. Understanding my needs makes me feel well supported.”
- “All staff we have been involved with have been excellent. I feel confident that they are well equipped to look after my son and they clearly care.”
- “I feel the support from my Support Worker is second to none. He is like the little brother I never had.”
- Their “life has been transformed by your compassionate care.”

Over the course of 2023-24, we delivered a number of improvements, including:

- Adopting a new five-year corporate plan, *Working Together, Working For You*. Our plan has three strategic objectives:
  - **Delivering** exceptional customer experience
  - **Growing** through improvement, partnership and innovation
  - **Behaving** sustainably and with integrity.
- Agreeing a new brand for KSC, to capture the essence of our life-changing work and distinguish us from other social care providers.
  - We enable individuals to value themselves and others, overcome challenges and realise dreams.

- Employing a Quality Improvement Coordinator, to share good practice and strengthen our self-evaluation capacity.
  - This appointment met one of the recommendations in our 2023 internal audit report.
- Increasing capacity at our James Bank hostel for individuals affected by homelessness.
  - While we plan to decommission James Bank and provide improved accommodation, we maximised use of our facility to support individuals in need.

The company generated a surplus for the year of £157k (2023: £349k). The surplus generated during the year has increased total reserves to £2,820k (2023: £2,663k) prior to distribution of Gift Aid. Operating margin declined from 3.5% in 2022-23 to 1.14% due to pressure on costs, which is a reflection of increases in staffing cost levels not being fully matched by increases in funding levels. However, cash flow remained positive with cash balances improving by £40k for the year. The Board has recommended the payment of Gift Aid of taxable profits to the parent company, KHA.

**Risk Management**

The Board assesses the major risks to which the business is exposed and ensures it is satisfied that appropriate approaches are in place to mitigate those risks. The strategic risks which are specific to KSC are noted below, with a summary of our mitigation actions:

Nature of risk	Risk	Mitigating actions
Financial	KSC income	Funding increases are applied by our public sector partners on an annual basis. Hourly rates for all of our services have been confirmed for the 2024/25 financial year. We seek to control our costs, while we are working to achieve organisational growth, to enable us to make a difference to more people and support our central costs.
Health and safety & reputation	Serious harm to supported person	We provide Adult and Child Protection training for all staff and have policies which help us safeguard the individuals we support. Individual risks are assessed every six months as a minimum, as part of an overall review of an individual's support and care. Staff induction and ongoing learning and development support staff to identify and manage risks.
Critical services interruption	Staff recruitment and retention	We employ a dedicated recruitment team and hold Retention Masterclasses for our managers. We undertake employee opinion surveys to identify areas for improvement in our employment proposition and to identify areas of possible flight risk.

Operational risks are identified, mitigated and managed by KSC’s Senior Leadership Team.

### **Going Concern**

Owing to the nature of the business, viability of the company is reliant on good financial risk management and strict budgetary control. The company's financial risk management objectives and policies are consistent with those of the Kingdom Group, amended as necessary to meet the specific nature of KSC. Financial management primarily ensures that there are sufficient reserves and cash flow to maintain the company's liquidity to deal with expected financial risks. Close control of procurement and debtors is exercised by experienced management. Liquidity and cash flow are managed through treasury management, forecasting of cash requirements and monitoring of management accounts against annual budgets, with actions taken as necessary. As a result of these controls the company remains profitable.

From April 2024, contract values were increased enabling staff salaries to meet or exceed the Scottish Living Wage. Mitigation plans for all identified financial risks are in place and are updated regularly. Management does not foresee any adverse changes to contract arrangements with the Local Authorities, which are the principal funders.

Consequently, the Board considers that there is no going concern risk for the company for the foreseeable future and that no amendments to future budgets and forecasts are required.

### **Staffing**

Our people are our greatest asset. Over the course of the year, the number of employees grew to 291 (2023: 285) with full time equivalents being 229 (2023: 226). The majority of colleagues are employed at the front line as Support Workers.

Staff turnover for 2023-24 was 35% (2023: 31%). Work continued throughout the year to manage this figure through improved induction, increased learning and development opportunities, and a refreshed approach to staff engagement. This remains a key priority for 2024-25 from both the service delivery and cost management perspectives.

### **Creditor Payment Policy**

KSC realises the importance of making prompt payment to its suppliers and has a policy to settle 95% of invoice value within 21 days, although some payments are made more quickly in order to comply with specific creditor terms.

### **Value Added Tax and Corporation Tax**

The company is a member of the Kingdom Group of companies' VAT Group and is registered with HMRC on that basis. The VAT Group operates a partial exemption method with no special method operating. As the majority of the VAT Group's activities are exempt, recovery of input VAT is minimal.

KSC is subject to Corporation Tax at the prevailing rate for the year, which is 25% less reliefs (2023: 19%). KSC is a member of the Kingdom Group for Corporation Tax purposes. Relief of tax losses incurred by KHA, which relate to debt servicing, through group relief was disallowed effective from April 2023 as a result of a change in tax legislation. As a consequence, the KSC Board agreed to provide Gift Aid of £157k to KHA, distributing its entire taxable surplus and avoiding a Corporation Tax charge.



**Related Party Transactions**

A service level agreement is in place where KHA provides KSC with Corporate, Governance, Finance, Human Resources, Information Technology and other support services, which is reviewed annually and amended to reflect changed circumstances. KHA also leases office premises to KSC for its administrative staff.

On behalf of the Board



Karen Koyman, Chairperson

Date: 20 August 2024

## **BOARD REPORT**

### **Board and their interests**

The Board members who served during the period and up to the date of signing are set out on page 2. None of the Board had any interests in the shares of KSC at the year end. There were no indemnity provisions for the benefit of the directors of the company or the directors of any group or associated company.

Linda Leslie is a member of the KHA Board. Thomas Barclay is the Chief Executive and Company Secretary of KHA.

### **Dividends and Gift Aid**

The directors recommend that no dividend is paid for the year (2023: £Nil). The directors recommend that Gift Aid of £157k, equivalent to the taxable surplus, is paid to KHA in respect of the year (2023: £Nil).

### **Political and charitable donations**

KSC made no donations to any unrelated charitable company during the year (2023: £Nil)

### **Post year end events**

There are no post year end events affecting the company.

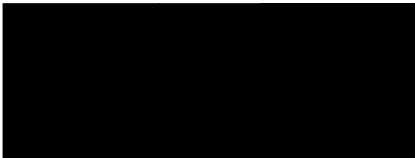
### **Statement as to the disclosure of information to auditors**

The Board members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The Board members have confirmed that they have taken all the steps that they ought to have taken as a Board in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### **Auditors**

The auditors are RSM UK Audit LLP and a resolution to reappoint them will be proposed to the Board.

On behalf of the Board



Karen Koyman, Chairperson

Date: 20 August 2024

## **STATEMENT OF THE BOARD'S RESPONSIBILITIES**

The Board are responsible for preparing the Strategic Report and Board Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Board to prepare financial statements for each financial year. Under the law the Board 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 Board 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 profit and loss of the company for that period.

In preparing those accounts the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board 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 Board 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGDOM SUPPORT and CARE  
COMMUNITY INTEREST COMPANY**

**Opinion**

We have audited the financial statements of Kingdom Support and Care CIC (the 'company') for the year ended 31 March 2024 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGDOM SUPPORT and CARE  
COMMUNITY INTEREST COMPANY (Cont'd)**

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 the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 10, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGDOM SUPPORT and CARE  
COMMUNITY INTEREST COMPANY (Cont'd)**


The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Health and Social Care Standards, The Social Care and Social Work Improvement Scotland (Requirements for Care Services) Regulations 2011, The Data Protection Act 2018 and all employment related legislation. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and the existence and valuation of revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. For revenue recognition, the audit procedures included, but were not limited to performing detailed testing of other income by corroborating to supporting documentation, focusing on the existence and valuation of income recognised.

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

**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.

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

Date: 27/08/24

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGDOM SUPPORT and CARE  
COMMUNITY INTEREST COMPANY (Cont'd)**

**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 the audit was considered capable of detecting irregularities, including fraud**

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit. However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

**STATEMENT OF INCOME AND RETAINED EARNINGS**

	<b>Notes</b>	<b>2024</b>	<b>2023</b>
		<b>£000</b>	<b>£000</b>
Turnover		10,472	9,962
Less: Operating expenditure	3	<u>(10,352)</u>	<u>(9,611)</u>
Operating surplus		120	351
Finance income		39	1
Finance charges	4	<u>(2)</u>	<u>(3)</u>
Surplus on ordinary activities before taxation		157	349
Taxation on surplus for the year	5	<u>-</u>	<u>-</u>
Total surplus for the year		<u>157</u>	<u>349</u>
Retained surplus as at 1 April		2,236	1,887
Surplus for the year		<u>157</u>	<u>349</u>
Retained surplus as at 31 March		<u>2,393</u>	<u>2,236</u>

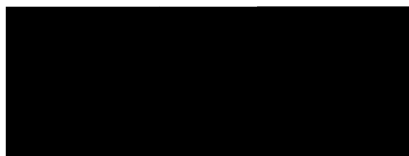
The notes on pages 18 to 25 form part of these accounts.



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024 £000	2023 £000
<b>Fixed assets</b>			
Intangible fixed assets	6	-	-
<b>Current assets</b>			
Receivables	7	624	565
Cash and cash equivalents		3,092	3,052
		<u>3,716</u>	<u>3,617</u>
<b>Current liabilities</b>			
Payables: Amounts falling due within one year	8	(896)	(954)
		<u>2,820</u>	<u>2,663</u>
<b>Net current assets</b>			
		<u>2,820</u>	<u>2,663</u>
<b>Total assets less current liabilities</b>			
		<u>2,820</u>	<u>2,663</u>
<b>Total net assets</b>			
		<u>2,820</u>	<u>2,663</u>
<b>Capital and Reserves</b>			
Share capital	9	427	427
Revenue reserve		2,393	2,236
		<u>2,820</u>	<u>2,663</u>

These financial statements were approved by the Board of Kingdom Support and Care Community Interest Company and authorised for issue on 20 August 2024 and are signed on their behalf by:



Karen Koyman, Chairperson

The notes on pages 18 to 25 form part of these accounts.

**STATEMENT OF CASH FLOWS**

		<b>2024</b>	<b>2023</b>
		<b>£000</b>	<b>£000</b>
	<b>Note</b>		
<b>Net cash inflow from operating activities</b>	10	3	252
<b>Cashflow from financing activities</b>			
Interest received		39	1
Interest paid and other charges		(2)	(3)
Net cash generated from/(used in) financing activities		<u>37</u>	<u>(2)</u>
Net increase in cash and cash equivalents		40	250
Cash and cash equivalents at beginning of year		<u>3,052</u>	<u>2,802</u>
Cash and cash equivalents at end of year		<u>3,092</u>	<u>3,052</u>

Cash and cash equivalents are similarly described in the Statement of Financial Position, therefore no reconciliation is required.

As the company has no debt, cash movements are reconciled in the statement above.

The notes on pages 18 to 25 form part of these accounts.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Legal status**

Kingdom Support and Care Community Interest Company (KSC) is a Community Interest Company incorporated under the Companies Act 2006 and limited by Shares. Its registered office is detailed on page 2. KSC is a Public Benefit Entity in accordance with the definition set out in FRS 102. The principal activity of KSC is to provide high quality support and care to individuals who face life challenges. The full description of these operations is explained more fully in the Strategic Report.

KHA and its subsidiaries are referred to as “the Group”. KSC is a wholly owned non-charitable subsidiary of KHA.

### **2. Accounting policies**

The principal accounting policies of KSC are set out in paragraphs a) to k) below.

These statements are presented in UK £ Sterling and rounded to the nearest £1,000, unless otherwise indicated.

#### **a) Basis of preparation**

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), under the historical cost convention, modified to include certain financial instruments at fair value. There are no instruments at fair value.

#### **b) Going concern**

The Board of Management considers that it is appropriate to prepare the financial statements on the basis of going concern. Service contracts are currently in place with Fife and Falkirk local authorities, our main funders. Should contracts not be renewed staff would transfer to the new provider in line with current regulations. KSC remains on national and local authority procurement frameworks. The latest financial plans have been reviewed and approved by the Board. These plans were prepared using assumptions agreed by the KHA Executive Team and demonstrate that, together with the risk mitigation plans in place, KSC is financially viable for the foreseeable future.

#### **c) Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates concerning the future. Judgements and estimates are based on experience, advice from experts and other factors. The resulting accounting may not equal the eventual results. The items in the financial statements where such judgements and estimates have been made include:

- The lease arrangements entered into by KSC are rentals of office space and are judged by management to be operating leases.

#### **d) Turnover**

Turnover represents income for the provision of support and care services, fees, revenue grants and performance related grants.

Support and care services income is recognised when due under the agreed contractual terms.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

**e) Employee benefits**

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred. The cost of annual leave and time off in lieu earned but not taken by employees at the year end date is accrued as a liability.

KSC participates in the Scottish Housing Associations' Pension Scheme (SHAPS), a defined contribution scheme administered by The Pensions Trust on a multi-employer shared basis.

**f) Intangible fixed assets**

Other intangible fixed assets are stated at cost less depreciation and comprise computer software and licences. The rate of depreciation is straight line over 3 years.

**g) Financial instruments**

**i) Receivables**

Receivables due within one year are measured at transaction price, less settlements and any impairment. Where receivables are determined to be longer term and where the effect of time value of money is considered significant, the estimated cash flows are discounted at an appropriate rate.

**ii) Payables**

Payables due within one year are measured at transaction price less settlements.

**h) Leases**

Rentals payable under operating leases are charged to expenditure on a straight line basis over the lease term.

**i) Taxation**

KSC is subject to corporation tax. Taxation is accrued based on taxable profits for the year.

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

The Group is registered for VAT. A significant proportion of the Group income is exempt from VAT, but VAT is reclaimed where possible under partial exemption calculations of activity deemed subject to VAT.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

**j) Gift Aid**

The payment of Gift Aid is accounted for as a distribution of reserves and is recognised when paid.

**k) Contingencies**

Contingent assets and liabilities are not recognised and are instead disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

**3. Turnover, operating expenditure and operating surplus/(deficit)**

The turnover and operating surplus for the year relate to activities wholly within the United Kingdom.

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
The operating result for the year is stated after charging:		
Management charges	14	16
Non audit services	5	3
Auditor's remuneration	7	6
Operating lease charges	46	33
	<hr/>	<hr/>

**4. Finance charges**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Finance charges in the year have been charged as follows:		
Other finance charges	2	3
	<hr/>	<hr/>
	2	3
	<hr/>	<hr/>

**5. Corporation tax**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Based on the results for the year to 31 March		
Corporation tax	38	66
Less impact of Gift Aid	(38)	-
Less impact of group relief	-	(66)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. Intangible fixed assets

Computer  
Software  
Total  
£000

**Cost**

At 1 April 2023

21

At 31 March 2024

21

**Depreciation**

At 1 April 2023

21

Provided during year

-

At 31 March 2024

21

**Net book value**

At 31 March 2024

-

At 31 March 2023

-

7. Receivables

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Prepayments	47	23
Car loans to employees	1	5
Due from KHA	52	-
Sundry debtors	524	537
	<u>624</u>	<u>565</u>

8. Payables: amounts falling due within one year

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Due to KHA	-	14
Other Taxation & Social Security costs	191	178
Trade creditors	63	16
Sundry creditors and accruals	642	746
	<u>896</u>	<u>954</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. Share capital

	2024 Number	2023 Number	2024 £	2023 £
Shares of £1 each issued and fully paid	<u>427,000</u>	<u>427,000</u>	<u>427,000</u>	<u>427,000</u>

10. Cash flow from operating activities

	2024 £000	2023 £000
Surplus for the year	157	349
<b>Adjustments:</b>		
Interest received	(39)	(1)
Interest paid (finance charges)	<u>2</u>	<u>3</u>
Operating cashflows before movement in working capital	120	351
(Increase)/decrease in debtors	(59)	68
Decrease in creditors	<u>(58)</u>	<u>(167)</u>
Cash generated from operations	<u>3</u>	<u>252</u>



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. Employees

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Staff costs during the year:</b>		
Wages and Salaries	8,375	7,649
Social Security costs	680	643
Other Pension costs	274	252
Apprenticeship Levy	35	31
	<u>9,364</u>	<u>8,575</u>
	<b>Number</b>	<b>Number</b>
Average weekly number of employees (including relief staff working on an "as required" basis):	<u>350</u>	<u>334</u>
<b>Number of Employees as at 31 March</b>		
Support & Care Administration	15	14
Support Workers	276	271
	<u>291</u>	<u>285</u>
As at 31 March the full time equivalent number of employees in post	<u>229</u>	<u>226</u>
	<b>£000</b>	<b>£000</b>
Agency staff costs	<u>163</u>	<u>304</u>

12. Operating lease commitments

At 31 March 2024 the company had total future operating lease payments under non-cancellable operating lease commitments for the lease of offices from KHA as follows:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Full value of operating lease commitments	<u>60</u>	<u>74</u>
Due within 1 year	33	33
Due between 1 - 2 years	16	15
Due between 3 - 5 years	11	26
	<u>60</u>	<u>74</u>

13. Payments to Board Members

No Board member received any remuneration from KSC during the period. Members of the Board were reimbursed for out of pocket travel expenses of £582 (2023: £150). The Board has decided to remunerate the role of Chairperson with effect from 1 April 2024.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. Remuneration of key personnel

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
The aggregate remuneration of the executive director (2023 – 2 executive directors) including benefits in kind was:	112	120
Pension contributions of directors were:	9	8
	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Emoluments (excluding pension contributions) were paid in the following bandings:		
£40,001 to £50,000	-	1
£50,001 to £60,000	-	1
£90,001 to £100,000	1	-
	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
The total emoluments (excluding pension contributions) received by the highest paid director was:	92	57

Key management personnel are defined as the executive director of KSC who is a member of the KHA Executive Team. The executive director of KSC is an ordinary member of KHA's Pension Scheme. No enhanced or special terms apply to this membership and KSC does not contribute to any other pension on their behalf. KSC's pension contributions for the executive director in the year amounted to £9k (2023: £4k).

15. Related party transactions

KHA issued invoices to KSC for purchases, re-invoiced charges and operating lease charges amounting to £230k (2023: £261k), inclusive of the Service Level Agreement. KSC issued invoices to KHA for re-invoiced charges totaling £22k (2023: £21k). The net balance due from KHA as at 31 March 2024 was £52k (2023: £14k due to KHA).

16. Ultimate controlling party

KSC is a subsidiary undertaking of KHA, which is the ultimate controlling party owning 100% of the issued share capital. The results of KSC are consolidated with those of KHA. Copies of these financial statements can be obtained by contacting the Registered Office shown on our website;

[www.kingdomhousing.org.uk/about-us/kingdom-support-care/](http://www.kingdomhousing.org.uk/about-us/kingdom-support-care/) or e-mailing [kingdom@kingdomhousing.org.uk](mailto:kingdom@kingdomhousing.org.uk)