

FORTH SECTOR
(A Charitable Company Limited by Guarantee)

Annual report and financial statements
For the year to 31 August 2025

Company No. SC124791
Charity No. SC016414

Company information

Company Number	SC124791
Charity Number	SC016414
Registered Office	Duddingston Yards Duddingston Park South Edinburgh EH15 3NT
Directors	S M Miller J E Robertson
Company Secretary	C A McKinley
Independent Auditor	Crowe U.K. LLP 2 nd Floor 55 Ludgate Hill London EC4M 7JW

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Director's statement

FY24/25 has been a successful year with all our contracts achieving 100% of the KPIs set, putting us in a good position for additional contract award and growth. The positive surplus is also a good result following the transfer of St Jude's Laundry last year and the rationalisation of operations.

Our market presence continues to grow, with our newsletter, recruitment events and tie-ins to employers all expanding. We were delighted to have over 13,000 attendees attend our events with over 2,500 monthly subscribers to our newsletter.

For the coming year, we will continue to target new opportunities to expand our services and develop economies of scale to maximise our outcomes for our beneficiaries.

A handwritten signature in dark ink, reading 'J. Robertson'.

J E Robertson
Director
5 May 2026

Annual Report

1. Company Overview, Principal Activities and Objectives

Our Mission

Forth Sector is a charity based in Edinburgh whose purpose is to relieve the suffering and distress of individuals with mental health problems, those recovering from mental illness or who otherwise face social exclusion, the effect of which is to limit their opportunities for meaningful employment by the establishment and operation of supported work schemes and by the provision of various facilities and services in the community and to relieve the need of such persons.

Forth Sector is made up of:

- All in Edinburgh (AiE), delivering the five-stage model of supported employment to service users with a disability and/or long-term health condition to find and keep a job. The service is funded by Edinburgh City Council.
- Fuse Advance, delivering a service to in work clients, primarily based in the City's Business Improvement District, supporting the City's anti-poverty agenda by supporting workers to move into better paid sustainable fair work.
- Office accommodation, managed by the subsidiary company, provided to the private sector, which provides a valuable rental income from tenants who occupy parts of the main building.

Forth Sector is a wholly owned subsidiary of The Shaw Trust Limited. Shaw Trust is also the sole corporate trustee of the Forth Sector charity. Forth Sector is pleased to support Shaw Trust, a national charity creating a future where good work is accessible to all in society irrespective of their life circumstances.

Note: as stated in the Articles of Association of the charitable company ('the Company'), the Board of Directors are its Trustees for the purpose of charity law and throughout this report are collectively referred to as Directors or the Board.

Our Strategy and the Market

Forth Sector has had a positive year with the AiE contract previously extended by three years to April 2027 and 100% of the KPIs achieved so far. This is also mirrored in Fuse Advance where again 100% of KPIs have been achieved, therefore putting Forth Sector in a good position with our key stakeholders, such as Edinburgh City Council or Skills Development Scotland, to take on additional work in the future.

In terms of specific outcomes, this translates to:

- 17 recruitment events with a recorded footfall of over 13,000 attendees resulting in more than 1,600 applications. Our newsletter also has an average monthly subscription of over 2,500, which helps keep the public informed of the opportunities available on the programmes.
- 55 people into long-term sustainable work and another 75 remaining in or progressing at work, with hundreds of other clients either progressing towards positive outcomes or otherwise supported.

Overall, though the market remains challenging following the pandemic, with a gradual recovery in the local economy offset by cost-of-living pressures, our ability to meet and outperform against service delivery sets up the charity well for the future, with supporting activity in the subsidiary (e.g. rental income) also in a good state with high occupancy.

Our Objectives for the Coming Year and Future Developments

Our plan is to organically grow our services, both through existing and new relationships. For example, given the strong performance on our key programmes, whether there is government appetite for additional places will be investigated. Equally, the site can act as a delivery location for additional contracts, whether on-site or in the city. It is through this growth the site can be maximised to unlock economies of scale and best deliver mission.

Our Values and Differentiators

Our values define who we are and how we work. They shape how we support each other, our participants, and how we make a difference together.

- **We care about people.** We support our colleagues and the people we work with to realise their potential and transform their lives.
- **We make a difference.** We deliver high quality across our services, helping people to improve their lives.
- **We are inclusive.** We value the ideas, views and strengths of everyone we work with and support. Everyone is different and everyone deserves equal opportunity.
- **We are collaborative.** We believe that by working together with those we support and our partners we create better services and solutions.
- **We have integrity.** We hold ourselves to the highest standards of behaviour.
- **We are innovative.** We will test new ideas, methods, services and products to increase the impact and value we add.

Our approach to our mission is defined by four differentiators that set us apart:

- **We put impact above profit.** We achieve growth by using our charitable heart and business brain to exceed people's and commissioners' expectations.
- **We lead through evidence and innovation.** We improve national and local delivery and processes through innovation, sharing evidence of what works so that success can be replicated and scaled where it's needed most.
- **We build people-centred services.** We integrate support around people making it easier for them to access the right help at the right time to move forward.
- **We multiply every pound.** By combining commissioner and charitable funding, we create greater value and impact across every service we deliver.

2. Financial Performance

The income for the year was £0.5m compared to £0.7m for the year to 31 August 2024. This is primarily due to the reduction in income from the laundry following the transfer of these activities from 1 July 2024.

The net income for the year to 31 August 2025 was £0.01m compared with net expenditure of £0.4m for the year to 31 August 2024. Net expenditure in the prior year included £0.3m in relation to the transfer out of the laundry activities.

The Company meets its day-to-day working capital requirements through a inter-company balance, and the Company has longer-term borrowings (Notes 13 and 14) which are repayable over a number of years. The organisation wishes to move to a position where it can hold meaningful cash funds as unrestricted reserves in order to meet its known funding requirements and where possible unforeseen expenditure.

The organisation has developed a medium-term strategy that includes growing and diversifying into a number of related sectors, significantly increasing turnover and the number of customers that the organisation helps.

Unrestricted funds for the Company currently show a deficit of £2.0m (2024: £2.1m) and restricted funds show a surplus of £1.0m (2024: £1.1m). The Directors are confident that the deficit on unrestricted reserves will be eliminated through surpluses delivered as part of the five-year business plan and beyond. Generally, the Board considers that the target for unrestricted target reserves should be equivalent to at least one month's costs excluding depreciation, which amounts to £0.04m.

3. Principal Risks and Uncertainties

Our approach to risk management

Risk is an accepted and necessary part of carrying on our business and we rely upon our risk management processes to appropriately balance risks against rewards. The Board has overall responsibility for risk management and internal control, and the executive directors ensure that risk management plans are effectively communicated throughout the organisation.

The Board of Forth Sector are guided by and provide reports to the Shaw Trust Board of Trustees.

The identification, evaluation and monitoring of significant risks is a continuous process. The Shaw Trust Board of Trustees are responsible for setting the tone and influencing the culture of risk management within the Group, including the attitude to risk and the monitoring of new risks. The Board of Trustees reviews new and existing risks, challenges risk ratings and assesses the effectiveness of internal controls. It also considers whether other risks should be reviewed and advises management accordingly.

Through the Group's Executive Management Team, Audit and Risk Committee and the Forth Sector Board, the financial and risk management processes enable Trustees to discharge their responsibilities toward risk and responsibilities management by:

- The adoption of a range of policies and procedures to enable risk management including a risk management policy, an anti-fraud policy, a whistleblowing policy, and a registration of interests policy;
- The maintenance of a corporate risk register, which is used to monitor the risk environment of the Company and to inform audit plans;
- The establishment and maintenance of the ‘three lines of defence’ model of internal control:
 - Line one: management controls to prevent, detect and respond to exposure to risk. These include organisational structures that enable segregation of duties, the implementation of security protocols in respect of assets and information, pre-employment checks and ongoing training, supplemented by management supervision and checking arrangements;
 - Line two: risk management through the development, implementation, testing and maintenance of an effective control and governance environment. In addition, an internal team provides assurance in respect of the quality-of-service provision and compliance with legislation, contractual requirements, and relevant standards. Shaw Trust’s Line Two reports into senior management and the Trustee Board, through the Audit and Risk Committee; and
 - Line three: Internal Audit which is performed by an outsourced provider. Reporting primarily to the Audit and Risk Committee, the internal auditors provide assurance over the effectiveness of corporate governance and the overall control environment including the line two defences. All reports identify areas of strength and good practice along with areas for improvement. In the case of the latter the Audit and Risk Committee monitors a time-based log of improvement actions, agreed by the management and the auditors, to ensure that they are implemented.

Principal Risks

The assessment of risks is linked to the Company strategy, and the following have been identified as key risks. The Company is taking appropriate steps to monitor them:

Risk description	Potential impact	Mitigation
A failure in the welfare, safeguarding or duty of care of our beneficiaries.	We regularly work with vulnerable client groups, and a failure could result in potential loss of business or have an adverse effect on performance.	We maintain comprehensive safeguarding and related policies and procedures, including whistleblowing safeguards. We ensure that all staff are subject to robust pre-employment vetting, including Disclosure and Barring Service checks. All staff receive the appropriate safeguarding training.

Risk description	Potential impact	Mitigation
Significant staff induction and turnover affects costs and operational quality.	The inability to recruit sufficient staff to meet operational need has the potential to hinder service delivery. Poor staff retention could also affect our ability to deliver high quality services. Inability to deliver service could result in loss of contracts or have an adverse effect on financial performance.	We seek to ensure pay and conditions remain attractive and competitive in the sector. We also undertake an organisational development programme to ensure that staff attain and maintain the skills to develop and perform. We have invested in new recruitment specialists to ensure that we can meet operational staffing requirements.
Failure to win or poor mobilisation of key contracts.	Failure to win bids or mobilise them well could restrict growth opportunities, resulting in onerous contracts and therefore have an adverse effect on financial performance.	To win contracts, we focus on high quality service delivery under our existing contracts. We demonstrate value for money and maintain a strong central bidding team in a high demand sector. To mobilise contracts well, we have a dedicated operational excellence team, clear mobilisation project governance, supersession and succession plans in place to support capacity and carefully forecast FTE and other group needs to ensure required resource is in place.
Environmental headwinds.	Significant reductions in public sector funding and changes in government policies could impact on renewal or terms of existing contracts. Any cuts in local authority funding could have an adverse effect on financial performance.	We seek to develop innovative service delivery models and solutions within available funding parameters, maintain good relationships across central and local government, and communicate our success stories through case studies and proactive public relations. Our services are also statutory services so less vulnerable to the impact of local authority spending pressures.
Organisational capacity inadequate to deliver plan effectively and assure robustness or resilience.	Strategic objectives and KPIs are not delivered to plan as a result of pace/extent of growth or change.	We maintain standardised Business Development and Investment processes to ensure the right resources are allocated to maximise the right opportunities and manage/mitigate risks effectively. We operate a number of investment and development roadmaps as part of our Strategic Planning team, alongside a multi-year investment programme.
Major information security breach.	As a provider of public services, we have to handle sensitive and confidential data. An information security breach, whether by accident or malicious attack,	We ensure that all our staff receive information security training and run staff awareness campaigns in line with organisational policy to promote data security. We employ experienced personnel

Risk description	Potential impact	Mitigation
	could result in the potential loss of contracts, have an adverse effect on financial performance and lead to reputational damage in bidding for future work.	specialising in information assurance and security, run penetration tests and operate in accordance with the ISO27001 certification, which is subject to regular external assessment.
Loss of critical IT systems due to cyber event or otherwise.	Business continuity is put at risk as operations fail to function, meaning an inability to deliver services and additional costs are incurred reinstating operability.	We target Business Continuity Plans and Serious Incident Response Plans at both Group and team level in preparation for IT or other events. This is done on a 'when', not 'if' basis. These are reinforced as part of regular tabletop exercises and other external assessments to improve readiness. We follow and consider a range of other guidelines and frameworks, including Cyber Essentials Plus or the previously mentioned ISO27001.

4. Structure, Governance and Management

Governing Document

The Company is a Scottish charity and Company limited by guarantee and does not have share capital. It is approved as a Scottish charity by HM Revenue and Customs and the Office of the Scottish Charity Regulator (OSCR). The Company is constituted by its Memorandum and Articles of Association dated November 2000 and revised in October 2010. Revisions were approved by OSCR.

The Company has a wholly owned trading subsidiary, Forth Sector Development Limited which is limited by shares. Forth Sector is the sole member and appoints Directors of that company. Forth Sector's other trading activities are held within the charity because they exist solely as a means to pursue the company's charitable purposes.

Directors

The directors who were in post during the year and since the year end were:

S M Miller
J E Robertson

Fundraising compliance statement

The Charities (Protection and Social Investment) Act 2016 requires charities such as ours to include a statement of our fundraising. The charity raises its funds from employability services on behalf of Enable Scotland. We believe that under current regulations and best practice that we comply with the Fundraising Regulator's Code

of Fundraising Practice and adhere to Charity Commission guidance for the organisation as a whole.

Organisational structure and how decisions are made

Directors hold full Board meetings to review strategy, performance, and compliance. They receive operational and financial reports prepared by the company's senior staff and meetings are minuted. The Board also considers compliance, risk and personnel issues such as remuneration, employee health and wellbeing and staff development.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The ultimate parent and controlling Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Statement of directors' responsibilities in respect of the financial statements

The Trustees (who are also Directors of Forth Sector for the purposes of Company law) are responsible for preparing the Annual Report (including the Directors' Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under Company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable

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 charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors/Trustees' confirmations

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all the steps that they ought to have taken as a Trustee in order to make them aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the Charities SORP (FRS 102) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 5 May 2026 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'J. Robertson', is written in a cursive style.

J E Robertson
Director

Independent Auditor's Report to the Members of Forth Sector

Opinion

We have audited the financial statements of Forth Sector for the year ended 31 August 2025 which comprise Statement of Financial Activities, 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 charitable company's affairs as at 31 August 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 6 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going

concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the 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 included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 trustees' report and from the

requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of directors' responsibilities set out on pages 11-12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 Acts 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient

and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102), The Charities and Trustee Investment (Scotland) Act 2005, and tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management and revenue recognition in relation to grants and contracts.. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Office of the Scottish Charity Regulator (OSCR) and reading minutes of meetings of those charged with governance.

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. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable

company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'JPoulter', with a large, stylized initial 'J'.

Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London EC4M 7JW

Date: 22nd May 2026

Statement of financial activities for the year to 31 August 2025

	Note	Continuing operations		Discontinued operations		Year to 31 August 2025 Total
		Unrestricted £	Restricted £	Unrestricted £	Restricted £	£
Income and endowments from:						
Charitable activities		476,873	-	-	-	476,873
Total	4	476,873	-	-	-	476,873
Expenditure on:						
Charitable activities	5	(469,830)	-	-	-	(469,830)
Exceptional items	8	-	-	-	-	-
Total expenditure		(469,830)	-	-	-	(469,830)
Net income before transfers		7,043	-	-	-	7,043
Transfers between funds	15	36,289	(36,289)	-	-	-
Net movement in funds		43,332	(36,289)	-	-	7,043
<u>Reconciliation of Funds</u>						
Fund balances brought forward	15	(2,058,192)	1,037,255	-	-	(1,020,937)
Fund balances carried forward	15	(2,014,860)	1,000,966	-	-	(1,013,894)

Discontinued operations in the prior year related to St Jude's Laundry which was transferred out of the charity on 1 July 2024.

Statement of financial activities for the year to 31 August 2024

	Note	Continuing operations		Discontinued operations		Year to 31 August 2024 Total
		Unrestricted £	Restricted £	Unrestricted £	Restricted £	£
Income and endowments from:						
Charitable activities		387,452	-	354,599	-	742,051
Total	4	387,452	-	354,599	-	742,051
Expenditure on:						
Charitable activities	5	(506,834)	-	(453,228)	-	(960,062)
Exceptional items	8	11,871	-	(220,947)	-	(208,626)
Total expenditure		(494,963)	-	(673,725)	-	(1,168,688)
Net expenditure before transfers		(107,511)	-	(319,126)	-	(426,637)
Transfers between funds	15	(5,643)	(36,289)	319,126	(277,194)	-
Net movement in funds		(113,154)	(36,289)	-	(277,194)	(426,637)
<u>Reconciliation of Funds</u>						
Fund balances brought forward	15	(1,945,038)	1,073,544	-	277,194	(594,300)
Fund balances carried forward	15	(2,058,192)	1,037,255	-		(1,020,937)

Balance sheet as at 31 August 2025

	Note	2025	2024
		£	£
Tangible fixed assets	10	1,832,697	1,876,031
Investment in subsidiary	11	100	100
Total fixed assets		1,832,797	1,876,131
Current assets			
Debtors	12	68,467	79,809
Cash in hand		105,795	122,074
		174,262	201,882
Creditors: amounts falling due within one year	13	(3,010,734)	(2,989,253)
Net current liabilities		(2,836,472)	(2,787,371)
Total assets less current liabilities		(1,003,675)	(911,240)
Creditors: amounts falling due after more than one year	14	(10,219)	(109,697)
Net liabilities		(1,013,894)	(1,020,937)
Funds			
Unrestricted funds			
- General	15	(2,014,860)	(2,058,192)
Restricted funds			
- Development project	15	1,000,966	1,037,255
Net deficit		(1,013,894)	(1,020,937)

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

These financial statements were approved by the Board on 5 May 2026 and signed on its behalf by:



J E Robertson (Director)
Company Number: SC124791

Notes to the Financial Statements

1. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). The financial statements have been prepared on the historical cost basis.

The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group financial statements, as it is a subsidiary undertaking of The Shaw Trust Limited, a company registered in the United Kingdom and is included in the consolidated financial statements of that company.

The financial statements are presented in Sterling (£).

The Company has adopted the following disclosure exemptions:

- The requirement under Section 7 to present a statement of cash flows and related notes.

Going Concern

The Company meets its day-to-day working capital requirements through an inter-company balance, and the Company has longer-term borrowings (Note 14) which are repayable over a number of years.

The Directors consider the Company to be a going concern, and the financial statements have been prepared on that basis. This assessment has been made based on the following key factors:

1. The medium-term business plan identifies strategies for growing revenue and reducing costs. The Directors are confident that this plan will be realised along with the generation of planned surpluses, which will replenish the unrestricted reserves balance.
2. The ultimate parent and controlling company of Forth Sector and Forth Sector Development Limited, is The Shaw Trust Limited and has provided a formal commitment to continue to provide cash flow support to the Company to the extent that is required.

The financial statements have therefore been drawn up on the going concern basis. This assumption will be formally reviewed on an annual basis.

2. Critical judgements and estimates

In preparing the financial statements, Trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future may differ from such estimates.

Critical judgements are made in the application of income recognition accounting policies, and the timing of the recognition of income in accordance with the Charities SORP (FRS 102).

3. Accounting policies

A summary of the significant accounting policies, which have been applied on a consistent basis, is set out below.

Recognition and allocation of income

Income is recognised when the Company has legal entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Where practicable income is related to the operating activities of the Company. Where there are terms placed on income that limit the Company's discretion over how the income can be used that income is shown as restricted income in the financial statements.

The main income stream for Forth Sector is income generated through the All in Edinburgh contract which supports people with disabilities and long-term health conditions to enter and retain employment and is funded by City of Edinburgh Council and European Social Fund (ESF).

Deferred income

Where the Company has a contract in place to provide services, but entitlement to the income has not been earned as the work was not carried out in the year, the appropriate proportion of the income is deferred.

Recognition and allocation of expenditure

Expenditure is recognised when the Company has entered into a legal obligation. Expenditure is allocated to the function to which it relates. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Support costs are those costs incurred directly in support of the expenditure on the objects of the Company. Governance costs are those incurred in connection with setting and monitoring the strategic direction of the Company and compliance with constitutional and statutory requirements.

Funds

Funds are classified as either, restricted funds or unrestricted funds, defined as follows:

Restricted funds are funds subject to specific trusts, which may be declared by the donor or with their authority.

Some are restricted income funds expendable at the discretion of the Board in furtherance of a particular activity, such as funds raised for a particular client group. Others are capital funds where the assets are required to be invested for long-term use.

Unrestricted funds are expendable at the discretion of the Board in furtherance of the objectives of Forth Sector.

Pension costs

The Company contributes to a group personal pension plan, a defined contribution scheme. The annual contributions payable are charged to the Statement of Financial Activities.

Taxation

The Company is a registered charity and is not liable for United Kingdom income tax or corporation tax on charitable activities. The charity and its subsidiary, Forth Sector Development, are registered for VAT and accounts for VAT on a partial exemption basis, accordingly irrecoverable VAT is included within the cost category to which it relates.

Tangible fixed assets

All fixed assets are included at cost. Depreciation of fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

Heritable Property	2% straight line
Office Equipment	20% straight line
Fixtures and Furniture	20% straight line

Fixed assets costing less than £3,000 for non-computer equipment and less than £250 for computer equipment are charged against profit on the date of purchase.

Freehold land is not depreciated.

It is the Company's policy to maintain its property in good condition and to carry out an annual impairment review in accordance with FRS 102 Impairment of fixed assets. The carrying value of land and buildings is revised whenever events arise that indicate that a revision may be required.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks which are readily convertible and are measured at fair value.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price. Concessionary loans received are initially measured at the amount received, with the carrying amount adjusted in subsequent years.

Financial assets and liabilities

Financial instruments are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting year, basic financial instruments are measured at amortised cost using the effective interest rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting year with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

4. Charitable activities

	2025	2024
	£	£
Gift aid donation from subsidiary	96,412	-
Contracts for service delivery	380,461	387,452
Continuing activities	476,873	387,452
Sales (discontinued operations)	-	354,599
	<u>476,873</u>	<u>742,051</u>

5. Charitable activities - expenditure

	Direct costs	Support costs	2025	2024
	£	£	Total	Total
	£	£	£	£
Social firms – continuing	268,177	201,653	469,830	506,834
Social firms – discontinued	-	-	-	453,228
	<u>268,177</u>	<u>201,653</u>	<u>469,830</u>	<u>960,062</u>

6. Analysis of support costs

	Staff	Property	Central recharges	Other	2025	2024
	£	£	£	£	Total	Total
	£	£	£	£	£	£
Social firms – continuing	49,084	61,586	68,663	22,320	201,653	223,098
	<u>49,084</u>	<u>61,586</u>	<u>68,663</u>	<u>22,320</u>	<u>201,653</u>	<u>223,098</u>

7. Net income / (expenditure) for the year

	2025	2024
	£	£
Net income / (expenditure) for the year is stated after charging:		
Auditors' remuneration in respect of audit	9,700	15,929
Depreciation on tangible fixed assets	43,334	73,908

8. Exceptional Items

	2025	2024
	£	£
Intercompany loan forgiveness	-	(11,871)
Loss on disposal of assets (discontinued operations)	-	220,497
	<u>-</u>	<u>208,626</u>

9. Staff costs

	2025	2024
	£	£
Wages and salaries	297,093	507,828
Social security costs	32,916	48,014
Contributions to defined contribution pension schemes	12,668	23,911
	<u>342,677</u>	<u>579,753</u>

Included in total staff costs above are the wages, salaries and other staff costs relating to employees who were seconded to other group companies during the year to 31 August 2025. The effect of payroll costs recharged to and from the Company in respect of seconded staff amounted to a net charge of £87,804 (2024: £76,245) and was fully reimbursed by the appropriate group company.

Included in the above figures is £Nil (2024: £5,684) for redundancies, of which none was accrued or provided as at the year-end (2024: £Nil).

No employees received emoluments over £60,000 (2024: none).

Pension contributions payable at the balance sheet date were £Nil (2024: £1,334).

	2025	2024
	Number	number
Average staff number	<u>8</u>	<u>19</u>

Directors' emoluments

During the year no costs were incurred by the Company in respect of directors' remuneration and pensions (2024: £Nil). Directors were remunerated by the ultimate parent company, The Shaw Trust Limited, for their services in the year for the group as a whole.

10. Tangible assets

	Heritable Property	Computer Equipment	Fixtures and Furniture	Total
	£	£	£	£
Cost / Valuation				
At 1 September 2024	2,316,637	10,757	185,679	2,513,073
Disposals	-	-	(94,380)	(94,380)
At 31 August 2025	2,316,637	10,757	91,299	2,418,693
Accumulated Depreciation				
At 1 September 2024	450,118	1,245	185,679	637,042
Charge for the year	40,645	2,689	-	43,334
Disposals	-	-	(94,380)	(94,380)
At 31 August 2025	490,763	3,934	91,299	585,996
Net Book Value				
At 31 August 2025	1,825,874	6,823	-	1,832,697
At 31 August 2024	1,866,519	9,512	-	1,876,031

The above tangible assets are pledged as security against the borrowings of the Company (see note 14).

11. Investments

Investment in trading subsidiary, Forth Sector Development Limited, incorporated 8 February 2010:

	2025	2024
	£	£
100% of issued share capital, 100 (2024:100) shares of £1 each	100	100

Forth Sector Development Limited supports organisations to change and grow through providing professional business development and support services. Its registered address is Duddingston Yards, Duddingston Park South, Edinburgh EH15 3NT. A summary of its trading is shown below.

	2025	2024
	£	£
Turnover	175,245	130,257
Cost of Sales	-	(389)
Administrative expenses	(53,645)	(33,456)
Net profit	121,600	96,412
Gift Aid payable to ultimate parent company	96,412	101,674

The assets and liabilities of the subsidiary were:

	2025	2024
	£	£
Current assets	416,353	398,398
Current liabilities	(37,149)	(44,382)
Net assets	379,204	354,016

12. Debtors

	2025	2024
	£	£
Trade debtors	53,274	57,502
Other debtors	882	3,836
Prepayments and accrued Income	14,311	18,470
	68,467	79,808

13. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	748	8,138
Amounts due to group undertakings	2,471,621	2,445,170
Loans from group undertakings, due within one year	400,000	400,000
Taxation and social security	25,434	20,110
Other loans	99,478	101,709
Other creditors	-	1,733
Accruals and deferred income	13,453	12,393
	<u>3,010,734</u>	<u>2,989,253</u>

14. Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Other loans	10,219	109,697
	<u>10,219</u>	<u>109,697</u>

	2025	2024
	£	£
Maturity of debt included in creditors		
In one year or less, or on demand	499,478	501,709
Within two to five years	10,219	109,697
	<u>509,697</u>	<u>611,406</u>

Total loans included in creditors

	2025	2024
	£	£
Scottish Investment Fund term loan	79,789	162,767
Resilient loan	29,908	48,639
Ultimate parent and controlling Company (The Shaw Trust Limited) loan	400,000	400,000
	<u>509,697</u>	<u>611,406</u>

The loan with The Shaw Trust Limited incurs no interest and is repayable upon demand.

Borrowings of £109,697 at 31 August 2025 (2024: £211,406) were secured on the assets of the Company as follows:

- Social Investment Scotland, interest at 5% fixed repayable by July 2026: floating charge and standard security over property; and
- Resilient Scotland Limited, interest at 5% fixed repayable by February 2027: floating charge.

15. Analysis of Reserves

	Balance at 1 September 2024	Incoming Resources	Resources Expended	Transfers	Other Recognised gains/(losses)	Balance at 31 August 2025
	£	£	£	£	£	£
Restricted Funds						
Development Project **	1,037,255	-	-	(36,289)	-	1,000,966
	<u>1,037,255</u>	<u>-</u>	<u>-</u>	<u>(36,289)</u>	<u>-</u>	<u>1,000,966</u>

** National Lottery Community Fund (formerly Big Lottery Funding) and Social Investment Scotland

Unrestricted Funds

General	(2,058,192)	476,873	(469,830)	36,289	-	(2,014,860)
Total Funds	(1,020,937)	476,873	(469,830)	-	-	(1,013,894)

The transfers from restricted funds to general unrestricted funds represents the allocation of depreciation charges on those assets funded by the restricted grants along with disposals of funded assets as noted below.

The Development Project restricted fund represents funding to which the Company is entitled for the Duddingston Yards project. The property, fixtures and fittings of Duddingston Yard are pledged as security against the fund received. The transfer to unrestricted funds represents the allocation of depreciation charges on the funded assets.

16. Analysis of net assets among funds

	Restricted Funds	Unrestricted Funds	Total 2025	Total 2024
	£	£	£	£
Fixed assets	1,000,966	831,831	1,832,797	1,876,131
Net current liabilities	-	(2,836,472)	(2,836,472)	(2,787,371)
Long-term liabilities	-	(10,219)	(10,219)	(109,697)
	<u>1,000,966</u>	<u>(2,014,860)</u>	<u>(1,013,894)</u>	<u>(1,020,936)</u>

17. Operating lease commitments

The Company has no operating lease commitments.

18. Related parties

Related party transactions with group entities during the year were as follows.

Intra-Group Transactions – year ended 31 August 2025	Central recharges	Seconded staff	Corporate Gift Aid	Net advances and repayments	Balance write offs
	2025	2025	2025	2025	2025
	£	£	£	£	£
Forth Sector Development Ltd	-	-	96,412	(76,119)	-
Homes2Inspire Ltd	-	-	-	(115)	-
Ixion Holdings (Contracts) Ltd	-	-	-	126	-
Prospects Services	-	-	-	200,000	-
The Shaw Trust Ltd	(68,678)	(87,804)	-	(90,273)	-
Total	(68,678)	(87,804)	96,412	33,619	-

Intra-Group Transactions - year ended 31 August 2024	Central recharges	Seconded staff	Corporate Gift Aid	Net advances and repayments	Balance write offs
	2024	2024	2024	2024	2024
	£	£	£	£	£
Forth Sector Development Ltd	-	-	-	33,141	-
Homes2Inspire Ltd	-	-	-	(551)	-
Ixion Holdings (Contracts) Ltd	-	-	-	200,000	-
Optimus Education Ltd	-	-	-	2	11,871
Prospects Services	-	-	-	(743,830)	-
The Shaw Trust Ltd	(63,803)	(76,245)	-	153,048	-
Total	(63,803)	(76,245)	-	(358,190)	11,871

Intra-Group Balances	2025	2024
	£	£
Forth Sector Development Ltd	(4,753)	(25,046)
Homes2Inspire Limited	(115)	-
Ixion Holdings (Contracts) Limited	200,126	200,000
Prospects Services	200,000	-
The Shaw Trust Limited	(3,266,879)	(3,020,124)
Total	(2,871,621)	(2,845,170)

19. Ultimate Parent Company

The ultimate parent and controlling company is The Shaw Trust Limited, a company registered in the United Kingdom (number 1744121). The Shaw Trust Limited is the largest and smallest group of undertakings for which group financial statements have been drawn up and copies can be obtained from Black Country House, Rounds Green Road, Oldbury, B69 2DG.