

**St Andrews Children's Society Limited  
(A Charitable Company Limited by Guarantee)**

**Report and Financial Statements**

**For the Year Ended**

**31 March 2010**

**SATURDAY**



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COMPANIES HOUSE

**Company No. SC 079520**

**Charity No. SC 005754**

**St Andrews Children's Society Limited**

**Report and Financial Statements  
For the Year Ended 31 March 2010**

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## **St Andrews Children's Society Limited**

### **Reference and Administrative Details**

**Company No:** SC 079520

**Scottish Charity No:** SC 005754

#### ***Board of trustees***

The following served as members of the Board of Trustees (directors of the company) during the year:

##### ***Present members:***

Mrs Maureen McEvoy, MBE, MA, MPS	(Chair)
Mr Fergus Christie, MA, LLB, SSC, NP, KHS	(Vice-Chair & Company Secretary)
Ms Kirsty Fergusson, BA, FCCA	(Treasurer)
Mr Edward Hepburn, FCMA	
Mr Gerald Wilson, CB, MA, FRSE, DUniv	
Mrs Siobhan Kellock, BA (Hons), PGCE, SQH	
Mrs Aileen Deas, BA, BSc	
Mrs Anne Hampton, MA, Dip Soc Admin, Dip SW	
Mrs Pamela Canning	(appointed 22/9/09)

##### ***Former members who resigned during the year:***

Mrs Catherine Grant, Dip Ed (resigned 22/9/09)

One third of the members of the Committee retire at each AGM and are eligible for re-election.

#### ***Senior Staff***

<b>Director:</b>	Stephen Small
<b>Service Managers:</b>	Charlie Egan Marie Hindmarsh

**Registered Office** 7 Johns Place  
Edinburgh  
EH6 7EL

**Bankers** Bank of Scotland  
43 Comely Bank  
Edinburgh  
EH4 1AF

**Solicitors** Burnett Christie Knowles McCourts (BCKM)  
53 George IV Bridge  
Edinburgh  
EH1 1YH

**Auditor** Chiene + Tait  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

**Accountants** Norman, Downie & Kerr Ltd  
The Courtyard  
130 Constitution Street  
Edinburgh EH6 6AJ

## **St Andrews Children's Society Limited**

### **Report of the Board of Trustees For the Year Ended 31 March 2010**

The Board of Trustees, as directors of the company, present their report and the audited financial statements for the year ended 31 March 2010.

This report and the financial statements comply with current statutory requirements, the company's Memorandum and Articles of Association and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

#### **Structure, Governance and Management**

St Andrews Children's Society Limited ("the Society") was incorporated in 1982 as a company limited by guarantee, governed by its Memorandum and Articles of Association (company number SC 079520). In the event of winding up, each member is liable to contribute £1. The Society is a registered adoption society and a registered Scottish charity (reference SC 005754).

The Constitution of the Society was amended at the AGM on 22 September 2009 to reflect the end of formal links with the Catholic Church. Our informal links, however, remain strong, and we are still the agency of choice for most Catholics wishing to adopt.

The main areas of change were:

1. The Committee of Management became the Board of Trustees.
2. The role of President was abolished.
3. The Chair is no longer appointed by the President, but elected in the same way as the other Trustees, and the Board then appoints the Chair.
4. In the event of the dissolution of the Society, the assets will no longer revert to the Catholic Church, but be transferred to an agency which will continue the work of the Society.

Members of the Board of Trustees ("the Board") are appointed at the Annual General Meeting. The Board meets regularly (generally once a month) to review and direct operations and plan future strategy for the Society. Day to day operations are delegated to the staff under the supervision of the Director. There is also a Fostering Panel and an Adoption Panel, each chaired by an independent Social Worker, and comprising staff members, people with personal experience of fostering and adoption and external advisers. A member of the board serves as Decision Maker to both panels. Board members receive induction and training as required. The names of those who served as Board members during the year and other reference and administrative details are shown on page 2.

Board members are aware of the major risks to which the charity is exposed and consider that adequate systems and procedures have been established to manage those risks. The major external risks are the uncertainties surrounding maintenance of fee income and fundraising and potential liabilities for future funding of the pension scheme.

#### **Objectives, Activities and Achievements**

The charitable objects of the Society are encompassed in its mission statement:

*"We seek to address the needs of vulnerable children in our society by providing adoptive and foster care for children unable to remain with their birth families and supporting families and individuals throughout the process."*

In order to achieve these objectives, the Society operates as a registered adoption and fostering agency.

We would like to commend all the staff team members for their hard work and commitment again this year, and to thank all of our adopters, foster carers and supporters for the enormous contribution they make to the Society's work.

## **St Andrews Children's Society Limited**

### **Report of the Board of Trustees (*continued*)**

#### ***Objectives, Activities and Achievements (continued)***

This year we placed 39 children with 30 families. The demand for our adoption support services continues to increase and we now have established and dedicated adoption support workers in place, enabling us to be better at quantifying this important area of our work. 142 families and individuals have been receiving post-adoption support this year.

Adoption counselling continues to be an important part of the service we offer and provides valuable experience for our workers. To hear of the experience of adults, whose lives have been so profoundly affected by adoption, is invaluable to us in the work we undertake in placing children today with new families.

We were delighted to refurbish much of the ground and basement floors of our offices during the year and we celebrated with the formal opening ceremony performed by Sir Tom Farmer, a proud citizen of Leith and a long time benefactor of the Society. It had always been our aim since moving into our present offices to provide dedicated accommodation to enable us to expand our therapeutic work with those children placed by us who need such specialised support.

We are also very pleased to announce our new support programme, SafeBase, which has been pioneered by After Adoption, an adoption agency based in Manchester. We are training three of our social workers in this new work, which has proved of great benefit to adoptive families in England and Wales. After Adoption was so impressed by the quality of our professional work that they chose our agency to introduce this programme into Scotland. We are convinced that this will be a very useful tool in addition to our present work of supporting families.

Our foster care service has continued to grow. Our close relationships with some of our partner local authorities helps us to be confident that the foster care placements we offer are in great demand and will continue to be so in the future. We have 42 children in foster/respite placements.

It is already clear that the coming year will be a busy one when we hope to at least equal the previous year's figure for the number of children finding adoptive homes through our endeavours.

#### ***Financial Review***

As shown in the statement of financial activities on page 9, there has been a net increase in funds of £390,898 during the year, comprising an increase of £405,106 in unrestricted funds and a decrease of £14,208 in restricted funds. This compares to a net increase of £132,033 in the previous year.

Year on year results for the Society are liable to fluctuate, as they are sensitive to the number of adoption placements in any year while staff costs and overheads tend to be fixed. The excellent results for the current year arise from a higher than average number of adoption placements and a similar volume of placements cannot necessarily be anticipated in the future, though the indications are good for the year ahead. There is also an ongoing commitment to provide post adoption support and an amount of £50,000 is retained in a designated fund against the future cost of this (see note 10).

Fees for both adoption and fostering have increased significantly compared to the previous year, arising from increased activity in each area. Direct expenditure on charitable activities has also increased in line with this increased activity. A grant of £20,221 was received from the Scottish Government for the SafeBase project (referred to above) and this was all expended during the year. An amount of £13,958 was expended from the restricted fund for foster care training, including the cost of prep groups. This fund arose from an original grant of £20,000 from the Scottish Government and a balance of £2,055 has been carried forward. A part-time fundraiser was employed during the year at a cost of £13,380 and grants and donations amounting to £57,449 were obtained for the property refurbishment as listed in note 3 on page 12. Further details of income and expenditure are shown in the notes on pages 12 and 13 respectively.

There was a significant deficit of £485,000 (previous year deficit of £92,000) on the company's share of the Lothian Pension Fund at the year-end date, as calculated by the scheme actuary, and this has been reflected in the accounts in accordance with Financial Reporting Standard 17 (see note 14 for details).

## **St Andrews Children's Society Limited**

### **Report of the Board of Trustees (*continued*)**

#### ***Financial Review (continued)***

As mentioned above, a refurbishment of the ground and basement floors of the Society's premises at 7 Johns Place was carried out during the year at a cost of £186,786 and this amount has been added to tangible fixed assets, bringing the total carrying value of heritable property in the accounts up to £712,050. This compares to a valuation of the refurbished property of £750,000, carried out at 1<sup>st</sup> June 2010.

A 3-year service level agreement with the City of Edinburgh Council has a further 2 years to run, providing funding for eight adoption placements and the maintenance of ten fostering placements per annum. A service level agreement for two adoption placements per annum is under negotiation with West Lothian Council. The former agreement with East Lothian Council has not been renewed although a placement has been made.

#### ***Reserves Policy***

The directors are aiming, over time, to build up the reserves to a level covering six months' running costs. The number of placements tends to fluctuate and it is considered prudent to carry this level of reserves to cover any period when fee income is low. The present level of reserves, represented by the general fund, is £230,648, which is equivalent 2 months' running costs. This is after allowing for the deficit of £485,000 on the pension scheme.

#### ***Investment Policy***

The directors consider that, where surplus funds are available, they should be held in a suitable interest bearing bank account.

#### ***Statement of Responsibilities of the Board of Trustees (Directors)***

The trustees (who are directors of St Andrews Children's Society Limited for the purposes of company law) are responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the net income and expenditure, of the charitable company for the year. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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. The applicable law also sets out the trustees' responsibilities for the preparation and content of the Report of the Board of Trustees. In addition the trustees are responsible for any other information published along with the Report of the Board of Trustees and Financial Statements.

The trustees 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.

**St Andrews Children's Society Limited**

**Report of the Board of Trustees (*continued*)**

***Statement of Responsibilities of the Board of Trustees (continued)***

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

***Auditor***

A resolution proposing the re-appointment of Chiene + Tait CA as auditor will be submitted at the forthcoming Annual General Meeting.

***Small Company Exemptions***

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**By Order of the Board**

Signed:

Maureen H EVOY

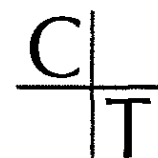
Date:

30-8-10

Name:

MAUREEN HCEVOY

Trustee



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST ANDREWS CHILDREN'S SOCIETY LIMITED**

We have audited the financial statements of St Andrews Children's Society Ltd for the year ended 31 March 2010 set out on pages 9 to 19. The financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity'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. Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of directors and auditor***

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities of the Board of Trustees.

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Report of the Board of Trustees is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

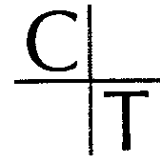
We read the Report of the Board of Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

### ***Basis of audit opinion***

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ST ANDREWS CHILDREN'S SOCIETY LIMITED (cont'd)**

***Opinion***

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Report of the Board of Trustees is consistent with the financial statements.

*Malcolm Beveridge*

**Malcolm Beveridge BA CA (Senior Statutory Auditor)**

**For and on behalf of**

**CHIENE + TAIT**

**Chartered Accountants and Statutory Auditor**

**61 Dublin Street**

**Edinburgh, EH3 6NL**

1 SEPTEMBER 2010

# **St Andrews Children's Society Limited**

## **Statement of Financial Activities (Including Income & Expenditure Account) For the Year Ended 31 March 2010**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
<b>Incoming Resources:</b>					
<i>Incoming resources from charitable activities:</i>					
Adoption placement fees & expenses	2	809,327	-	809,327	584,984
Fostering & respite fees & expenses	2	874,145	-	874,145	740,748
Training income		2,990	-	2,990	-
<i>Incoming resources from generated funds:</i>					
Voluntary income: Grants & donations	3	7,038	77,670	84,708	4,767
Activities for generating funds	4	2,273	-	2,273	1,171
Investment income	5	6,111	-	6,111	23,597
<b>Total Incoming Resources</b>		<u>1,701,884</u>	<u>77,670</u>	<u>1,779,554</u>	<u>1,355,267</u>
<b>Resources Expended:</b>					
<i>Charitable activities:</i>					
Adoption services	6	527,180	20,471	547,651	493,656
Fostering & respite care	6	796,280	13,958	810,238	712,628
<b>Fund raising costs</b>	6	13,532	-	13,532	961
<b>Governance costs</b>	6	17,235	-	17,235	15,989
<b>Total resources expended</b>		<u>1,354,227</u>	<u>34,429</u>	<u>1,388,656</u>	<u>1,223,234</u>
<b>Net incoming resources for year before transfers</b>		347,657	43,241	390,898	132,033
<b>Gross transfers between funds</b>		<u>57,449</u>	<u>(57,449)</u>	<u>-</u>	<u>-</u>
<b>Net incoming resources before other recognised gains and losses</b>		405,106	(14,208)	390,898	132,033
<b>Gain on revaluation of fixed assets for charity's own use</b>				-	-
<b>Actuarial (loss) on defined benefit pension scheme:</b>	14	<u>(403,000)</u>	<u>-</u>	<u>(403,000)</u>	<u>(114,000)</u>
<b>Net movement in funds</b>		2,106	(14,208)	(12,102)	18,033
<b>Funds brought forward</b>		<u>1,006,487</u>	<u>16,263</u>	<u>1,022,750</u>	<u>1,004,717</u>
<b>Funds carried forward</b>		<u>1,008,593</u>	<u>2,055</u>	<u>1,010,648</u>	<u>1,022,750</u>

The statement of financial activities above includes all gains and losses in the year.  
All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 19 form part of these financial statements

# St Andrews Children's Society Limited

## Balance Sheet

At 31 March 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	7	<u>727,945</u>	<u>545,128</u>
<b>Current assets</b>			
Debtors	8	185,694	206,611
Cash at bank and in hand		<u>676,284</u>	<u>427,646</u>
		<u>861,978</u>	<u>634,257</u>
<b>Creditors: amounts falling due within one year:</b>	9	<u>94,275</u>	<u>64,635</u>
<b>Net Current Assets</b>		<u>767,703</u>	<u>569,622</u>
<b>Net Assets excluding pension deficit</b>		1,495,648	1,114,750
Pension deficit	14	<u>(485,000)</u>	<u>(92,000)</u>
<b>Net Assets including pension deficit</b>		<u>1,010,648</u>	<u>1,022,750</u>
<b>Funds &amp; reserves:</b>			
<b>Designated funds (unrestricted):</b>			
Property fund	10	712,050	540,500
Fixed asset fund	10	15,895	4,628
Adoption support fund	10	50,000	50,000
General fund	10	<u>230,648</u>	<u>411,359</u>
<b>Total designated</b>		1,008,593	1,006,487
Restricted funds	10	<u>2,055</u>	<u>16,263</u>
<b>Total Funds</b>		<u>1,010,648</u>	<u>1,022,750</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees and authorised for issue on

signed:

*Maureen McEvoy*

signed:

*Kirsty Ferguson*

Name: MAUREEN MCEVOY

Name: KIRSTY FERGUSON

Trustee

Trustee

Date: 30 - 8 - 10

Company Registration No. SC 079520

The notes on pages 11 to 19 form part of these financial statements

## **St Andrews Children's Society Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2010.**

#### **1 Accounting Policies**

##### ***Accounting Convention***

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and with the Statement of Recommended Practice *Accounting and Reporting by Charities* (issued March 2005).

##### ***Fixed assets & Depreciation***

Heritable property for the charity's own use is stated at the latest revalued amount less depreciation. Revaluations are carried out periodically (at least every 5 years) at open market value. Other fixed assets (office equipment & furnishings) are stated at cost less depreciation, which is calculated to write off their cost (less any residual value) over their estimated useful lives. Annual depreciation rates are as follows:

Heritable property	2% on revalued amount
Computer equipment	25% on cost
Other equipment & furnishings	20% on cost

Assets costing less than £100 are not capitalised in the balance sheet.

##### ***Incoming Resources***

Fee income for adoption placements, fostering and respite care is recognised in the period when the placement is made or the service takes place. Income received through the Edinburgh adoption and fostering service agreement is treated as deferred when income has been received but not all the placements have been made. The prepaid element of other long term fostering fees is also deferred.

Income from grants, donations and fund raising is recognised on receipt. Any gift aid due on donations is accrued in the period when the donation is received.

##### ***Resources Expended***

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Staff costs and overheads have been apportioned to the various charitable activities in proportion to estimated usage of the resources during the year. Governance costs are those related to the general running of the charity rather than the charitable activity.

##### ***Operating Leases***

Rentals paid under operating leases are charged to the statement of financial activities as incurred.

##### ***Taxation***

The company is a registered charity and no charge for taxation arises on its charitable activities. The company is not registered for VAT and expenditure includes VAT where relevant.

##### ***Pensions***

Qualifying staff are members of the Lothian Pension Fund, a multi-employer defined benefit scheme. Deficits under the scheme are recognised in the accounts in accordance with the requirements of Financial Reporting Standard 17, based on the company's share of the scheme assets and liabilities, as reported by the scheme actuary. The scheme assets are valued at market value. In accordance with FRS 17 "retirement benefits", the company's share of a scheme deficit is recognised in full on the balance sheet and its share of a surplus is recognised to the extent that the surplus can be recovered.

##### ***Fund Accounting***

The nature and purpose of each fund is explained in note 10.

# St Andrews Children's Society Limited

## Notes to the Financial Statements for the Year Ended 31 March 2010.

### 2. Incoming resources from charitable activities

	Adoption Fees £	Fostering & respite Fees £	Total 2010 £	Total 2009 £
Fees receivable for year	768,929	871,069	1,639,998	1,324,481
Expenses recoverable	5,212	3,076	8,288	19,278
Deferred income released	35,186	-	35,186	17,159
(less) Income deferred in period	-	-	-	(35,186)
Income for year	<u>809,327</u>	<u>874,145</u>	<u>1,683,472</u>	<u>1,325,732</u>

### 3. Grants & donations

	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
<i>Scottish Government grants:</i>				
for SafeBase project	-	20,221	20,221	-
<i>For Refurbishment</i>				
The Erskine Cunningham Trust -	-	500	500	-
Soutar foundation	-	5,000	5,000	-
Hedley Foundation	-	1,000	1,000	-
Mann Foundation	-	1,000	1,000	-
PF Charitable Trust	-	1,000	1,000	-
Awards for All	-	7,449	7,449	-
Robertson Trust	-	24,500	24,500	-
Gannochy Trust	-	10,000	10,000	-
Children in Need	-	5,000	5,000	-
Nancy Massie Trust	-	2,000	2,000	-
Other grants & donations (including gift aid)	<u>7,038</u>	<u>-</u>	<u>7,038</u>	<u>4,767</u>
Total for year	<u>7,038</u>	<u>77,670</u>	<u>84,708</u>	<u>4,767</u>

### 4. Activities for generating funds

	2010 £	2009 £
Fundraising: Reel Night	1,917	-
Other fundraising	191	244
Room hire & sundry income	<u>165</u>	<u>927</u>
	<u>2,273</u>	<u>1,171</u>

### 5. Investment income

	£	£
Bank deposit interest	6,111	15,597
Other finance income: Net return from pension scheme assets	<u>-</u>	<u>8,000</u>
	<u>6,111</u>	<u>23,597</u>

# St Andrews Children's Society Limited

## Notes to the Financial Statements for the Year Ended 31 March 2010.

6. Resources Expended	Adoption Services £	Fostering & Respite Care £	Governance Costs £	Total 2010 £	Total 2009 £
<i>Direct charitable activity costs:</i>					
Social workers' salary costs	383,214	101,867	6,405	491,486	488,975
Social workers' expenses	28,973	7,702	-	36,675	27,215
Foster carers' fees	-	660,544	-	660,544	539,950
Foster carers' expenses	-	5,033	-	5,033	5,929
Adoption expenses	11,602	-	-	11,602	11,737
Legal costs re adoption	12,240	-	-	12,240	13,688
Respite care costs	-	5,880	-	5,880	10,675
Training & supervision	9,683	2,574	-	12,257	5,907
Subscriptions & publications	7,232	1,923	-	9,155	8,173
Advertising, publicity & PR	5,728	1,523	1,095	8,346	6,952
<i>Administrative support costs:</i>					
Administrative salaries	39,888	10,604	3,547	54,039	51,984
Property costs	11,421	2,928	293	14,642	14,234
Office running costs	12,015	3,081	308	15,404	13,890
Professional fees	448	115	4,941	5,504	4,975
Bank interest & charges	339	87	9	435	982
Other finance costs - pension	7,020	1,800	180	9,000	-
Depreciation	16,471	4,224	422	21,117	14,663
Other expenditure	1,377	353	35	1,765	2,344
	<u>547,651</u>	<u>810,238</u>	<u>17,235</u>	<u>1,375,124</u>	<u>1,222,273</u>
Fundraising costs	-	-	-	13,532	961
<b>Total resources expended</b>	<b><u>547,651</u></b>	<b><u>810,238</u></b>	<b><u>17,235</u></b>	<b><u>1,388,656</u></b>	<b><u>1,223,234</u></b>

### Staff Details:

	Staff costs		Average number	
	2010 £	2009 £	2010 No.	2009 No.
Social workers' salary costs	491,486	488,975	14	15
Administrative salaries	54,039	51,984	3	3
Fundraising salaries	13,380	-	1	-
	<u>558,905</u>	<u>540,959</u>	<u>18</u>	<u>18</u>

### Analysis of Staff costs:

Salaries	455,536	441,185
Social Security costs	34,916	33,766
Pension costs - normal contributions	82,723	77,894
Pension costs - FRS 17 adjustment	(19,000)	(14,000)
Recruitment	4,730	2,114
	<u>558,905</u>	<u>540,959</u>

### Directors' Remuneration:

The directors received no remuneration in the year (2009: £NIL).

Expenses of £Nil were reimbursed to directors in the year (2009: £Nil).

There were no higher paid employees earning over £60,000.

### Related Party Transactions:

Mr Fergus Christie, a director, is a partner in BCKM who act as the solicitor for the Company. The firm received fees of £12,000 (2009: £12,000) for legal services during the year. This fee includes all legal representation for parents in court.

# St Andrews Children's Society Limited

## Notes to the Financial Statements for the Year Ended 31 March 2010.

### 6. Resources Expended (continued)

Resources expended includes the following amounts charged:	2010 £	2009 £
<i>Auditor's remuneration</i> - current year for audit work	2,056	1,955
- previous year adjustment	17	176
- for other services	575	-
- Total	2,648	2,131
Depreciation	21,117	14,663
Loss on disposal of tangible fixed assets	79	-
Operating lease payments	2,524	1,511

7. Tangible Fixed Assets	Heritable Property £	Computer Equipment £	Equipment & furnishings £	Total £
<b>Cost or Valuation</b>				
At 1 April 2009	575,000	13,487	11,745	600,232
Additions in year	186,786	4,410	12,817	204,013
(less) Disposals	-	-	(5,220)	(5,220)
<b>At 31 March 2010</b>	<b>761,786</b>	<b>17,897</b>	<b>19,342</b>	<b>799,025</b>
<b>Depreciation</b>				
At 1 April 2009	34,500	11,332	9,272	55,104
Charge for year	15,236	2,098	3,783	21,117
(less) on Disposals	-	-	(5,141)	(5,141)
<b>At 31 March 2010</b>	<b>49,736</b>	<b>13,430</b>	<b>7,914</b>	<b>71,080</b>
<b>Net Book Value</b>				
<b>At 31 March 2010</b>	<b>712,050</b>	<b>4,467</b>	<b>11,428</b>	<b>727,945</b>
At 31 March 2009	540,500	2,155	2,473	545,128

The heritable property at 7 Johns Place, Edinburgh was revalued in February 2006 at an open market value of £575,000 by Edinburgh Commercial Property Ltd.

The original cost of the heritable property (purchase price plus additions) is £666,786 and the accumulated depreciation on that historical cost would be £72,536 giving a net book value of £594,250.

8. Debtors	2010 £	2009 £
Fee income	113,954	134,838
Accrued income	30,926	33,054
Prepayments	30,406	35,601
Other debtors	10,408	3,118
	<b>185,694</b>	<b>206,611</b>
<b>9. Creditors:</b>	<b>£</b>	<b>£</b>
<i>Amounts falling due in less than 1 year</i>		
Deferred income	-	35,186
Tax & social security	12,284	11,031
Accruals & other creditors	81,991	18,418
	<b>94,275</b>	<b>64,635</b>

# St Andrews Children's Society Limited

## Notes to the Financial Statements for the Year Ended 31 March 2010.

10. Movement on Funds	Pension scheme					At 31/3/10 £
	At 1/4/09 £	Incoming Resources £	Outgoing Resources £	Actuarial (Loss) £	Transfers £	
<b>Designated funds:</b>						
Property fund	540,500	-	(15,236)	-	186,786	712,050
Fixed asset fund	4,628	-	(5,881)	-	17,148	15,895
Adoption support	50,000	-	-	-	-	50,000
General fund	411,359	1,701,884	(1,333,110)	(403,000)	(146,485)	230,648
<b>Total designated</b>	<b>1,006,487</b>	<b>1,701,884</b>	<b>(1,354,227)</b>	<b>(403,000)</b>	<b>57,449</b>	<b>1,008,593</b>
<b>Restricted funds:</b>						
Foster care training	16,013	-	(13,958)	-	-	2,055
Safebase project	-	20,221	(20,221)	-	-	-
Refurbishment	-	57,449	-	-	(57,449)	-
Research fund	250	-	(250)	-	-	-
<b>Total restricted</b>	<b>16,263</b>	<b>77,670</b>	<b>(34,429)</b>	<b>-</b>	<b>(57,449)</b>	<b>2,055</b>
<b>Total Funds</b>	<b>1,022,750</b>	<b>1,779,554</b>	<b>(1,388,656)</b>	<b>(403,000)</b>	<b>-</b>	<b>1,010,648</b>

### Notes on Funds:

The **property fund** corresponds to the net book value of the heritable property, including the revaluation reserve. This serves to separate the value of these assets from the free reserves available in the general fund. Annual depreciation of £15,236 has been charged to the fund and the transfer of £186,786 represents the cost of the property refurbishment carried out during the year.

The **fixed asset fund** corresponds to the net book value of fixed assets, other than property. This serves to separate the value of these assets from the free reserves available in the general fund. Annual depreciation of £5,881 has been charged to the fund, and the transfer of £17,148 represents the cost of assets purchased in the year (£17,227) less £79, being the net cost of asset disposals in the year.

The **adoption support fund** is an allowance for the cost of post adoption support work using monies from the post adoption module in the final adoption placement fee.

The **general fund** has been set up to enable the directors to make progress towards objectives set out in the reserves policy. The company's share of the deficit that exists within the pension scheme at the balance sheet date, calculated as £485,000 in accordance with Financial Reporting Standard 17, has been netted off this fund. The transfers arise from property and other fixed asset additions and disposals, net of the contribution from the refurbishment fund.

The **restricted fund for foster care training** arises from a grant received from the Scottish Government in the previous year. There was usage of £13,958 during the year, including prep groups, with £2,055 carried forward.

The **Safebase project fund** arises from a grant received from the Scottish Government during the year to fund a new post adoption support programme.

The **refurbishment fund** arises from specific grants and donations for refurbishment of the charity's premises (see note 3). The refurbishment was carried out during the year and the balance on the fund has been transferred to the property fund.

The **research fund**, in relation to fostering, was utilised during the year.



**St Andrews Children's Society Limited****Notes to the Financial Statements for the Year Ended 31 March 2010.**

<b>11. Analysis of Net Assets Between Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	727,945	-	727,945
Debtors	185,694	-	185,694
Cash at bank and in hand	674,229	2,055	676,284
Creditors due within one year	(94,275)	-	(94,275)
Pension scheme deficit	(485,000)	-	(485,000)
<b>Net Assets at 31 March 2010</b>	<b><u>1,008,593</u></b>	<b><u>2,055</u></b>	<b><u>1,010,648</u></b>

**12. Operating Lease Commitments**

The company is committed to making payments of £1,008 within one year under non-cancellable operating leases for office equipment, which expire in two to five years (previous year - £2,899).

**13. Details of charges**

Halifax Bank of Scotland holds a standard security over the assets of the company.

# St Andrews Children's Society Limited

## Notes to the Financial Statements for the Year Ended 31 March 2010.

### 14. Defined Benefit Pension Scheme

The company participates in the Lothian Pension Fund (LPF), a multi-employer defined benefit scheme which provides benefits based on final pensionable salary. A separate actuarial valuation has been obtained from the fund's actuary, which identifies the separate share of assets and liabilities of the scheme which relate to the company.

Contributions are determined by the fund's qualified actuary on the basis of triennial valuations using the projected unit method. The most recent triennial valuation was as at 31 March 2008 by Hymans Robertson, independent actuaries, and this has been updated to reflect conditions at the balance sheet date, 31 March 2010. Contribution rates during the year were set at 20.1% by the employer and 6% by the employee. In accordance with the valuation, contribution rates for the employer will rise to 21.4% in 2010/11 and 22.7% in 2011/12 with employee contributions remaining at 6%. The main assumptions used by the actuary in the valuation are shown below.

#### Financial assumptions:

Year ended:	31 Mar 2010 % p.a.	31 Mar 2009 % p.a.
Inflation / pension increase rate	3.8%	3.1%
Salary increase rate	5.3%	4.6%
Expected return on assets	7.3%	6.6%
Discount rate	5.5%	6.9%

#### Breakdown of the expected return on assets by category:

Year ended:	31 Mar 2010 % p.a.	31 Mar 2009 % p.a.
Equities	7.8%	7.0%
Bonds	5.0%	5.4%
Property	5.8%	4.9%
Cash	4.8%	4.0%

#### Mortality:

Assumed life expectancies from age 65 are:

	Males	Females
Current pensioners	20.8 years	24.1 years
Future pensioners	22.3 years	25.7 years

#### Historic Mortality

Year ended	Prospective Pensioners	Pensioners
31 March 2010	year of birth, medium cohort and 1% p.a. minimum improvements from 2007	
31 March 2009	year of birth	year of birth
31 March 2008	calendar year 2030	calendar year 2015
31 March 2007	calendar year 2030	calendar year 2015
31 March 2006	calendar year 2030	calendar year 2015

Age ratings are applied to the above tables based on membership profile.

# St Andrews Children's Society Limited

## Notes to the Financial Statements for the Year Ended 31 March 2010.

### 14. Defined Benefit Pension Scheme (continued)

#### Commutation

An allowance is included for future retirements to elect to take 50% of the additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

#### Fair value of employer assets and liabilities:

Year ended:	31 Mar 2010 £(000)	31 Mar 2009 £(000)
Equities	1,102	785
Bonds	112	109
Property	126	99
Cash	56	-
<b>Fair value of employer assets</b>	<b>1,396</b>	<b>993</b>
<b>Present value of funded liabilities</b>	<b>(1,881)</b>	<b>(1,085)</b>
<b>Net (liability)</b>	<b>(485)</b>	<b>(92)</b>

Assets are valued on a bid value basis from March 2009. In 2010 the bid value of assets was estimated by applying an adjustment of -0.5% to the Employer's mid market value asset share at 31 March 2010.

#### Reconciliation of defined benefit obligation:

Year ended:	31 Mar 2010 £(000)	31 Mar 2009 £(000)
<b>Opening defined benefit obligation</b>	<b>1,085</b>	<b>903</b>
Current service cost	53	56
Interest cost	76	65
Contributions by members	28	22
Actuarial losses / (gains)	688	41
Post service costs	11	-
Estimated benefits paid	(60)	(2)
<b>Closing defined benefit obligation</b>	<b>1,881</b>	<b>1,085</b>

#### Reconciliation of fair value of employer assets:

Year ended:	31 Mar 2010 £(000)	31 Mar 2009 £(000)
<b>Opening fair value of employer assets</b>	<b>993</b>	<b>977</b>
Expected return on assets	67	73
Contributions by members	28	22
Contributions by the employer	83	70
Actuarial gains / (losses)	285	(147)
Benefits paid	(60)	(2)
<b>Closing fair value of employer assets</b>	<b>1,396</b>	<b>993</b>

# St Andrews Children's Society Limited

## Notes to the Financial Statements for the Year Ended 31 March 2010.

### 14. Defined Benefit Pension Scheme (continued)

#### Recognition in the Statement of Financial Activities (SOFA):

Year ended:	31 Mar 2010		31 Mar 2009	
	£(000)	% of pay	£(000)	% of pay
Current service cost	53	12.6%	56	15.0%
Interest cost	76	18.1%	65	17.6%
Expected return on employer assets	(67)	(16.0%)	(73)	(19.7%)
Past service cost	11	2.6%	-	-
<b>Net cost to SOFA</b>	<b>73</b>	<b>17.3%</b>	<b>48</b>	<b>12.9%</b>
Actual return on plan assets	352		(176)	

#### Amounts for the current and previous accounting periods:

Year ended:	31 Mar 2010	31 Mar 2009	31 Mar 2008	31 Mar 2007
	£(000)	£(000)	£(000)	£(000)
Fair value of employer assets	1,396	993	977	911
Present value of defined benefit obligation	(1,881)	(1,085)	(903)	(1,005)
(Deficit) / surplus	(485)	(92)	74	(94)
Experience (losses) / gains on assets	285	(147)	(95)	5
Experience (losses) / gains on liabilities	-	(166)	2	2

#### Actuarial (losses) / gains recognised in Statement of Financial Activities (SOFA):

Year ended:	31 Mar 2010	31 Mar 2009	31 Mar 2008	31 Mar 2007
	£(000)	£(000)	£(000)	£(000)
Actuarial (losses) / gains	(403)	(114)	166	104
Restriction of surplus (see note below)	-	-	(74)	-
Cumulative actuarial gains and losses	(321)	82	196	104

In 2008, the assumptions underlying the FRS 17 funding position calculation produced a pension asset in respect of St Andrew's Children's Society of £74,000. While FRS 17 requires that any deficit is recognised in full on the balance sheet, surpluses may only be recognised to the extent that the employer can recover the surplus through refunds of contributions or reduced contributions in the future. In the absence of any undertaking from the Lothian Pension Fund Trustees regarding refunds or future reductions in contributions, the company was not able to recognise any part of this surplus.

#### Analysis of projected amount to be charged to resources expended for the year to 31 March 2011:

Year ended:	31 Mar 2011	
	£(000)	% of pay
Projected current service cost	95	24.0%
Interest on obligation	106	26.6%
Expected return on plan assets	(105)	(26.4%)
Past service cost	-	
Losses / (gains) on curtailments and settlements	-	
<b>Total</b>	<b>96</b>	<b>24.2%</b>