

Registered number: SC079520  
Charity number: SC005754

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
(A Company Limited by Guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
**(A Company Limited by Guarantee)**

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Trustees**

Mr Fergus Christie, MA, LLB, SSC, NP, KHS, Chair and Company Secretary  
(resigned 13 July 2020)

Ms Kirsty Fergusson, BA, FCCA, Treasurer

Mrs Anne Hampton, MA, Dip Soc Admin, Dip SW

Mrs Nicola Kehoe, BA (Hons), PGDE (resigned 4 December 2019)

Hon Lord Minginish (Roderick John MacLeod QC)

Mr Innes Begg Ledingham, BCom CA, Vice Chair

Mr Robert Hilton Swift CQSW MSc

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

**Senior management team**

Stephen Small, Director

Charlie Egan, Service Manager

Rita Grant, Service Manager

Claire McMahon, Office Manager

**Company registered number**

SC079520

**Charity registered number**

SC005754

**Registered office and Principal address**

7 John's Place

Edinburgh

EH6 7EL

**Company secretary**

Mr Fergus Christie, MA, LLB, SSC, NP, KHS

**Auditor and Accountants**

French Duncan LLP

Chartered Accountants and Statutory Auditor

56 Palmerston Place

Edinburgh

EH12 5AY

**Bankers**

Bank of Scotland

43 Comely Bank

Edinburgh

EH4 1AF

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND  
ADVISERS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Solicitors**

BCKM  
53 George IV Bridge  
Edinburgh  
EH1 1YH

**Investment Managers**

Brewin Dolphin  
Sixth floor, Atria One  
144 Morrison Street  
Edinburgh  
EH3 8BR

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The Trustees, who are also directors of the charitable company for the purposes of company law, present their annual report together with the audited financial statements of the charitable company for the year 1 April 2019 to 31 March 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

**Objectives and activities**

**a. Policies and objectives**

We seek to promote the wellbeing and care of children and families, particularly, but not exclusively, by the provision of adoption and fostering services. The number of children needing new families does not reduce, so we continue to prepare and support as many families as we can for these children. We are glad to say that numbers of enquiries and adoption applications continue to rise, and we are confident that our staff team can continue to provide the excellent service for which we are well known. People who apply to us to adopt or foster and those who receive a service from our adoption support and counselling services continue to be fulsome in their praise of the professionalism and genuine care shown to them by our staff. We continue to maintain a settled and dedicated staff team.

While recruitment of adopters picked up somewhat across both our office in Edinburgh and Aberdeen in the year under review, we are still struggling to recruit foster carers who will take children on a longer term or permanent basis. We are mindful that we must maintain our strategy to recruit foster carers since the demand for such placements is high.

We have continued to collaborate with West Lothian Council on Concurrent Planning, while the numbers of children placed in this way are small, the impact on children, whose early life is not characterised by changes of primary care givers is huge. We are always open to considering similar relationships with other councils. This year we placed 24 children for adoption, which was disappointing since it saw us return to the levels of 2017-18 after an encouraging increase in 2018-19. This highlights the unpredictable nature of the numbers of adopted children we place in any year and reminds us how much we are unable to control this part of our work and consequently this income flow. What we can influence to some extent is the number of families we approve year on year to give us the best chance of placing as many children as possible. Our recruitment rate of such families is consistent. We continue to have a very low disruption rate for adoption placements and we believe that the preparation we give families before placement, and the support we give after placement is the reason for this.

We have continued to develop our adoption support services to families during the year under review, as we are aware this is vital to the long term stability of a placement and the strength of the ties a child builds with their new family. The demand for our adoption support services continues to increase and our adoption support team manager and other staff gave support to families, parents and children on 94 occasions during the year under review. This has often been by way of face-to-face work in respect of particular issues faced by individual families and their children as well as offering a wide range of groups work support and activities to reach as many families as possible. We have also liaised with other professionals in social work education and health to ensure a wide access to support services.

We continue to be the only agency in Scotland to host the Theraplay® Level 1 training and will consider offering

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Objectives and activities (continued)**

a level 2 course if the demand is there. This has helped raise our profile across the UK in relation to our work supporting adopters and their children while also proving to be a valuable source of income. Our foster care service continues to give excellent care to vulnerable children and we have had a core of foster parents offering long term and permanent placements for children. We are developing a campaign to attract new foster carers. During the year 2019-20 we have had 13 children in foster/respite placements with 11 families. This year marked the end of the arrangement whereby we managed Scotland's Adoption Register on behalf of The Scottish Government. When the contract for this service went to tender we decided not to bid. When we were asked by the Scottish Government to take over the running of this service in 2015 (the previous organization that was running it had gone out of business) it was always envisaged as a temporary arrangement that helped the Scottish Government manage this crisis. We felt that as an agency primarily involved in direct service delivery in adoption and foster care, the continued involvement in the running of the Register was not core to our business and furthermore we supported the notion that The Register would be best placed within an organisation not directly involved in adoption placement work. We hope that AFA Scotland (a training and campaigning body for adoption in Scotland) will continue to ensure that The Register continues to play a vital role in the securing of adoptive homes for those children that need them.

St Andrew's Children's Society was founded to help children, who cannot stay with their birth families, find loving new families to care for them. As Trustees we are proud to continue this work to benefit as many children as we can. We sincerely thank all those who work with us to achieve this aim – our staff, adopters and foster carers, our Adoption and Foster Care Panel members and the Charitable Trusts and donors who give us financial support.

**Adoption**

Adoption continues to be our main area of service and our major source of income. An adoptive home is required for a child when they are unable to be safely cared for in their birth family. Issues of poverty and addiction feature in the lives of children who need these adoptive homes and the impact this has on a child can be far reaching and long lasting. This requires us to focus on recruitment of adopters for all children but with a special focus on those who are regarded as more hard to place in Scotland – sibling groups, children with complex needs and children over 5 years of age.

**Adoption Support**

The Society has a clear and unequivocal commitment to supporting adoptive families throughout the lifetime of any child placed. We have traditionally provided core adoption support service to all our families who need them and this is largely funded through voluntary income. For families who have more complex and challenging needs we attempt to work collaboratively with our colleagues in social work, other voluntary agencies and with health and education staff.

**Concurrent Care**

While we have been able to recruit carers for this complex and challenging task, many of them have been used to take new born children from West Lothian but have not always followed the concurrency assessment route. We will continue to work with West Lothian in partnership to meet the early permanency needs of the small number of young children whose needs would be best met through a concurrency model.

**Foster Care**

We provide a permanent foster care service predominantly for children who will not be returning to their birth family but for whom adoption is not the right thing. We provide a small number of placements on an emergency/short term basis as well as respite foster carer for children (with additional needs mainly) whose permanent home is elsewhere.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Objectives and activities (continued)**

**b. Strategies for achieving objectives**

**Adoption**

**Recruitment of Adopters** – We consider how we can increase the numbers of prospective adopters who choose to be assessed through this agency as part of a growth strategy. We also consider ways by which we can approve families as quickly as possible while adhering to National Adoption Standards and not compromising on the quality of assessments. We explore the possibility of developing strategic partnerships with local authorities to recruiting adopters for Scotland's 'harder to place' children.

There are significant challenges with timely permanency planning in Scotland in areas of practice and crucially with regard to our Children's Hearing and courts system. St. Andrew's plays a leading role (along with our other Scottish VAAs) in advocating for the best planning processes for children who need adoption. We lobby the Scottish Government for opportunities to help them to deliver on their commitments to improve the lives of children in our care system as outlined in the Scottish Independent Care Review Report due for publication in 2020.

**Adoption Support**

**Funding the Service** - We consider ways of staffing and funding the range of groups we now offer adopted children and their parents as well as developing a range of intervention methods that are designed to 'head off' later crises. Our fundraising is primarily focussed on this area of our service.

**Staffing** – we work hard to develop the skills and expertise required of our staff to work effectively in this demanding area of work. Appropriate training opportunities are made available to staff to ensure this.

**Working with other agencies** - we work hard with local authority colleagues to ensure that adoptive families have access to whatever financial support is available to them.

**Safebase® Therapeutic Parenting Programme** – We consider how we can make this programme available to all the families with whom we place children regardless of whether we can attract funding from placing local authorities. This will require an overhaul of the programme to make it cheaper to provide and more accessible to families.

**Concurrent Care**

**Recruitment of sufficient numbers of concurrent carers** – we work hard to ensure that our publicity material and preparation material emphasises concurrency as an important and viable option for those able to care for a child through foster care before adopting the child when that is the right thing.

**Monitoring the criteria for referring children for concurrent care** – we continue to work with West Lothian Council to promote concurrent care for as many children as possible. We can help with this through a programme of collaborating in the provision of ongoing training for their practice team staff.

**Offering more support to birth parents** – We are awaiting the outcome of two Trust Fund applications to provide a meaningful level of support to birth parents during and after they have engaged in a concurrent care plan with their child.

While attempts, up to now, to engage in a concurrency partnership with local authorities other than West Lothian have been unsuccessful we continue to be open to developing this area of early permanency practice in other parts of Scotland.

**Foster Care**

**Recruitment Strategy** – We have built up expertise in managing and supporting long term/permanent foster care

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Objectives and activities (continued)**

placements and we know that local authorities are more likely to use us for this kind of placement than other forms of foster care. We therefore continue to focus on our strategy for the recruitment of foster carers.

Charging for our Service - We need to agree a contract with client Councils that reflects our costs. We should not be subsidising these placements.

**c. Activities undertaken to achieve objectives**

**Adoption**

Recruitment of Adopters – We have a regular programme of publicity through social and conventional media aimed at those considering whether adoption might be right for them and their family. We have introduced regular information evenings for prospective adopters and have increased the numbers of preparation groups to cope with the rise in enquiries. St Andrew's is represented on the CELCIS (Centre of Excellence for Looked After Children In Scotland) Permanency Taskforce that seeks to influence and improve adoption practice across Scotland. Our Director is also a long standing member of the Board of Trustees of CVAAuk (Consortium of Voluntary Adoption Agencies) which has as one of its goals, the influencing of government policy on adoption and permanence in all the nations of the UK.

**Adoption Support**

Our Fundraisers have, as one of their priorities, the seeking of funds to help us provide our adoption support services. We are a partner agency working with the TESSA (Therapeutic, Education and Support Services in Adoption) Fund operated by Adoption UK to provide a wide range of therapeutic adoption support services to families across Scotland. All our Practitioners are trained in Theraplay® informed interventions with adoptive families. We also have three staff members currently undertaking Richard Rose Lifestory Work training. We have completed the first phase of overhauling the Safebase® Therapeutic Parenting Programme and are planning to look at augmenting this work with a version of the programme that could be delivered virtually.

**Concurrent Care**

The promotion of Concurrent Care as an option for some people considering adoption is embedded in our recruitment and publicity materials and we are able to recruit the number of carers required at this time. Following the independent review of this service we have suggested a strategy for enhancing its delivery and West Lothian Council are considering this. Our Fundraisers continue to apply for grants and trust funding for this service.

**Foster Care**

We have recently negotiated a review of our costing for the foster care service we provide to The City of Edinburgh Council and await confirmation of this new pricing structure being agreed.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Objectives and activities (continued)**

**d. Social investment policies**

St. Andrew's Implements equality and diversity initiatives in all areas of its work from the recruitment of adopters and foster carers to the employment of staff. As an agency that places children whose lives had been affected by disadvantage, poverty and drug and alcohol abuse in adoptive and foster homes, we aim to break the cycles that lead to the intergenerational impact of these social issues in our communities. The Society recognises that day-to-day operations can impact both directly and indirectly on the environment. We aim to protect and improve the environment through good management and by adopting best practice wherever possible. The Society will work to integrate environmental considerations into our business decisions and adopt greener alternatives wherever possible, throughout our operations.

**e. Grant-making policies**

As a voluntary adoption and foster care agency we actively seek voluntary funding to provide services that otherwise would not be available. Our constitution is clear that any income raised is solely used to achieve our charitable purposes and so we do not make grants to other organisations.

**f. Volunteers**

We use volunteers in a few specific area as listed below:

**Board of Trustees**

The Board is made up entirely of volunteers who give of their time free of charge. They get no remuneration either by way of payment for time or expenses. Any training costs are met by the agency. All Trustees have Disclosure Scotland checks done.

**Adoption & Foster Care Panels**

The Panel members come from very different backgrounds. Any training costs are met by the agency. Those panel members who are volunteers can claim reasonable travel expenses to attend meeting. All panel members have Disclosure checks done.

**Preparation Groups**

We use adopters and foster carers within our preparation group programme. Since their role is simply to talk about their own experiences in the group we do not see it as necessary to do any further vetting of them. In the case of foster carers, they have Disclosure Scotland Checks completed every 2 years as part of our reviewing system. They can claim reasonable travel costs to attend these meeting.

**Fund Raising**

From time to time we have volunteers who raise funds for us and who work at "arms-length" from the Society and so are not privy to any confidential information and do not come into direct contact with children. No Disclosure checks are carried out on these volunteers.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Achievements and performance**

**a. Main achievements of the charitable company**

- We have continued to place children with foster and adopted families.
- There has been no change to staffing in terms of practitioner and management time.
- We have managed to do this while maintaining a relatively sound financial position.

**b. Key performance indicators**

- Number of enquiries from prospective adopters and foster carers.
- Number of prospective adopters and foster carers attending preparation groups.
- Number of assessments of prospective adopters and foster carers.
- Number of adopters and foster carers approved at panel.
- Number of children and their families receiving adoption support.
- Numbers of children placed in adoptive homes.
- Numbers of children placed in foster care placements.

**c. Review of activities**

The Trustees reviewed the activities of the Society throughout the year. In June, August and November we considered the management accounts. In January we revised the Risk Assessment/Register and noted progress regarding the Finance Plan. In March we reviewed progress on the Strategy Plan and agreed Budgets for the coming year.

**d. Factors relevant to achieve objectives**

**Adoption**

People tell us in their feedback that they valued our warm and speedy response to their enquiry. We have continued to work hard to respond in a timely way when people are thinking about adopting a child. We have a highly experienced team of social workers who are there to support and guide prospective adopters through the process of approval and on to placement. When we look for potential children for our approved families we do not just look in our local areas, but search throughout the UK. The average age of children placed with our adopters over the past three years is 3 years 2 months. These children ranged from new born to 10 years old. The average timescale for a home study to be completed is only 6 months.

**Adoption Support**

Unlike our local authority colleagues who have a legal duty to provide adoption support services, we provide our adoption support services in continuing implementation of the vision of the founders of the Society ninety-seven years ago. This reflects what we know about the lifetime nature of adoption for children and their families. We make every effort to provide timely, bespoke, focussed and time-limited interventions with families and do not operate a waiting list for those who need our help.

**Concurrent Care**

We are the only voluntary agency with a concurrency service in Scotland. There is no comparable partnership and collaboration agreement between a voluntary adoption agency and a local authority to achieve early permanence for young children. We are at the vanguard of placing the youngest children with potential adopters which minimises the impact of early life disruption.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Achievements and performance (continued)**

**Foster Care**

We recruit foster care families who are committed to the children placed with them and understand the long term nature of the task required of them. The average length of placement in our foster care service is 8.9 years. We try to recruit foster carers for the children who are hardest to find foster homes for; older children who will not return to their birth family from the care system and need an alternative permanent home. The average age of children in our placements is 14 years.

**e. Fundraising activities and income generation**

**Trusts and Foundations**

This continues to be the most effective area of fundraising in terms of return on investment. However, it is becoming more time-consuming as many more trusts (even quite small ones) move from accepting standard applications to requiring online forms for both application and reporting purposes.

**Individual Giving/Community Fundraising**

We have continued to build our database of supporters and promote participation on events such as The Kiltwalk and Edinburgh Marathon.

**f. Investment policy and performance**

The Trustees employ Brewin Dolphin Limited as investment managers of the portfolio on a discretionary basis. The investment objective is to maintain a diversified portfolio aiming for a balance between income and capital growth. There are no specific investment restrictions or limitations applied to the portfolio. The performance of the portfolio is compared against the APCIMS Balanced Index. The portfolio is monitored by the Trustees on a bi-annual basis.

**Financial review**

**a. Going concern**

Since the early months of 2020, the UK and the world has faced unprecedented uncertainty and disruption as a result of Covid-19. The effects of the pandemic on the organisation started in the last month of the financial year, and the trustees and management took early action to maintain the health and wellbeing of staff and service users with staff working remotely and services delivered on-line where appropriate.

Since the start of this pandemic, the trustees have and continue to closely monitor the risks, challenges and opportunities ahead. The trustees consider the charity to be in a relatively strong position given the level of unrestricted reserves which are reflected in the Reserves Policy. The effects of this pandemic are continually monitored for operational and going concern implications for the charity post year end, and any going concern implications are noted in section 2.2 of accounting policies.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**b. Reserves policy**

The level of reserves is determined by balancing two objectives; maintaining sufficient reserves to enable us to carry on our work when faced with difficult circumstances, and ensuring we maximise the resources used for charitable purposes. Our reserves level therefore needs to be adequate to allow us to address potential losses that might arise from our charitable activities, investments and other activities. It also needs to give us sufficient time to adjust our strategy to meet changing circumstances without unnecessarily removing funds from addressing our charitable purposes.

The Board of Trustees assesses the risks the charity could be exposed to and the appropriate level of reserves that should be maintained. At 31 March 2020 the charity had total reserves of £1,457,911 of which £277,424 were restricted and could only be used for the purposes given, and £603,895 were designated and mainly tied up in property which continues to be used to deliver its services. After excluding the pension reserve, this left free unrestricted reserves of £711,592 which was in line with the reserves policy. We continue to ensure that we hold at least six months operating costs in reserve.

**c. Material investments policy**

As shown in the financial activities, there was a surplus of £26,640 (2019 - £26,056 deficit) during the year before the actuarial movement on the pension scheme, comprising surpluses of £11,566 in unrestricted funds and £15,074 in restricted funds. Despite the surplus for the year, the results have been disappointing due to adoption placements having significantly decreased from previous year (returning to 2017-18 levels) to 24 (2019 - 35), although this has been offset by an increase in training income, investment income and actual adoption fees. Fostering and respite fees have also declined to £ 411,485 (2019 - £481,361). The employment of a part-time fundraiser continued during the year at a cost of £22,200 and total grants and donations of £341,850 (2019 - £373,789).

The net movement in funds highlights a £246,640 surplus (compared to a deficit of £72,056 in previous year (primarily due to an actuarial gain from the defined benefit scheme (£220,000)). This results in total funds carried forward of £1,457,911 of which £1,180,487 is unrestricted and £277,424 is restricted.

**d. Principal risks and uncertainties**

The impact of Covid 19 in the latter part of the financial period, extending into 2020/21, has led to the Board, in conjunction with the Management Team, to have a necessary focus on the Society's financial position, monitoring cashflow on a weekly basis. At the time of writing, the trustees have considered the consequences on business operations but remain cautiously optimistic with the 2020/21 numbers.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**e. Financial risk management objectives and policies**

We have a prudent approach to financial management that has given us financial security (bank balance and investments) that has allowed us to manage the peaks and troughs inherent to a spot purchase income source. We were the most influential agency involved in ensuring buy in to a national adoptions fee charged by everyone in Scotland (local authorities and voluntary adoption agencies) which made it more likely that children would find the best adoptive family to meet their needs because differential fees no longer apply.

Our main source of income is through the receiving of adoption placement fees. This makes financial planning difficult since we start every new financial year having no certainty that we will have the money to meet our budget targets.

Foster care offers more predictable income but the market is very competitive and we struggle to have a profile that allows us to compete with local authorities and independent fostering agencies.

We continue to manage the finances of the organisation through quarterly accounts to Trustees and close budget scrutiny and control.

With regard to adoption placement income we continue to push for recognition of the need for full cost recovery by promoting the annual review of the fee level.

**f. Principal funding**

Our principal sources of funding are derived from our adoption, concurrent care and foster care services. Our voluntary, fundraising income helps largely to augment the funds we require to provide the array of adoption support services we provide.

**Structure, governance and management**

**a. Constitution**

St. Andrews Children's Society Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

**b. Methods of appointment or election of Trustees**

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

**c. Organisational structure and decision-making policies**

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. In the event of winding up, each member is liable to contribute £1. The Society is a registered adoption society, a registered fostering agency and a registered Scottish charity.

Members of the Board of Trustees ("the Board") are elected at the Annual General Meeting. The Board meets regularly 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, suitable qualified professional, and comprising people with personal experience of fostering and adoption and external advisers. Two members of the Board serve as Decision Makers to both panels. Board members receive induction and training as required.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Structure, governance and management (continued)**

**d. Pay policy for key management personnel**

All staff, administrative, social work and management, are on a pre-determined point on the Scottish Joint Council for Local Government Employees. The current three-year settlement is due to be renegotiated and agreed for commencement in 2021.

**e. Related party relationships**

A person is deemed to have a personal interest in a particular matter if any partner or other close relative of theirs or any firm in which they are a partner or any limited company in which they are a shareholder or director or any limited liability partnership of which they are a member or any Scottish charitable incorporated organisation of which they are a charity trustee or any registered society or unincorporated association of which they are a management committee member has an interest in that matter.

**f. Trustees' indemnities**

Every Trustee or other officer or auditor of the company is indemnified out of the assets of the Society against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office including any liability incurred by them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted and any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the company. The Society is entitled (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the Society may sustain or incur in connection with the execution of the duties of their office.

**Plans for future periods**

Early indicators are that 2020-21 will be a challenging year as we begin to develop our strategy to manage our operations through the Covid19 pandemic. Whilst the challenges associated with Covid19 have arisen after the period covered by this report, it should be noted that the Society has coped well with these. The recruitment of adoptive families has remained buoyant, and whilst the placement of children has slowed, there are signs that this is now picking up. The financial position of the Society remains strong. What gives us heart is that even in the early months of this year we have seen an unprecedented increase in those coming forward to be assessed as adopters and this gives us hope that we will have the resources needed to make the required number of placements necessary going forward.

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**TRUSTEES' REPORT (CONTINUED)**  
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**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

**Disclosure of information to auditor**

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

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

**Auditor**

French Duncan LLP, has indicated his willingness to continue in office. The Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
**(A Company Limited by Guarantee)**

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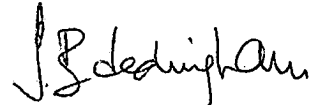
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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This report was approved by order of the members of the board of Trustees on 26th January 2021 and signed on their behalf by:



.....  
**Ms Kirsty Fergusson**  
Trustee



.....  
**Mr Innes Begg Ledingham**  
Acting chair



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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
**(A Company Limited by Guarantee)**

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

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**Opinion**

We have audited the financial statements of St. Andrews Children's Society Limited (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
**(A Company Limited by Guarantee)**

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

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**Other information**

The Trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
**(A Company Limited by Guarantee)**

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

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**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, 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 Act and relevant regulations made or having effect thereunder.

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
**(A Company Limited by Guarantee)**

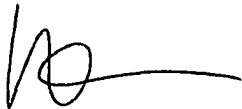
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. ANDREWS CHILDREN'S SOCIETY LIMITED (CONTINUED)**

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**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.



**Antony J Sinclair CA (Senior Statutory Auditor)**

for and on behalf of  
**French Duncan LLP**

Chartered Accountants and Statutory Auditor

56 Palmerston Place  
Edinburgh  
EH12 5AY  
Date: 29 January 2021

French Duncan LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and legacies	4	64,933	276,917	341,850	373,789
Charitable activities	6	1,431,759	-	1,431,759	1,362,887
Investments	7	10,055	-	10,055	9,601
Other income	8	2,540	65	2,605	10,690
<b>Total income</b>		<b>1,509,287</b>	<b>276,982</b>	<b>1,786,269</b>	<b>1,756,967</b>
<b>Expenditure on:</b>					
Raising funds		25,681	-	25,681	26,291
Charitable activities	10	1,450,090	261,908	1,711,998	1,761,886
<b>Total expenditure</b>		<b>1,475,771</b>	<b>261,908</b>	<b>1,737,679</b>	<b>1,788,177</b>
Net (losses)/gains on investments		(21,950)	-	(21,950)	5,154
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>11,566</b>	<b>15,074</b>	<b>26,640</b>	<b>(26,056)</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gain/(loss) on defined benefit pension scheme		220,000	-	220,000	(46,000)
<b>Net movement in funds</b>		<b>231,566</b>	<b>15,074</b>	<b>246,640</b>	<b>(72,056)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		948,921	262,350	1,211,271	1,283,327
Net movement in funds		231,566	15,074	246,640	(72,056)
<b>Total funds carried forward</b>		<b>1,180,487</b>	<b>277,424</b>	<b>1,457,911</b>	<b>1,211,271</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 48 form part of these financial statements.

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: SC079520**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	617,149	624,301
Investments	15	349,028	366,412
		<u>966,177</u>	<u>990,713</u>
<b>Current assets</b>			
Debtors	16	432,208	171,219
Cash at bank and in hand	23	343,185	417,665
		<u>775,393</u>	<u>588,884</u>
Creditors: amounts falling due within one year	17	(87,659)	(101,326)
<b>Net current assets</b>		<u>687,734</u>	<u>487,558</u>
<b>Total assets less current liabilities</b>		<u>1,653,911</u>	<u>1,478,271</u>
Defined benefit pension scheme liability	25	(196,000)	(267,000)
<b>Total net assets</b>		<u><u>1,457,911</u></u>	<u><u>1,211,271</u></u>
<b>Charity funds</b>			
Restricted funds	19	277,424	262,350
Unrestricted funds	19	1,180,487	948,921
<b>Total funds</b>		<u><u>1,457,911</u></u>	<u><u>1,211,271</u></u>

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: SC079520**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2020**

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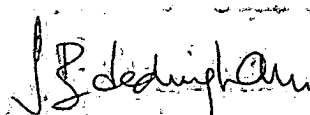
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements, which constitute the annual financial statements required by Companies Act 2006 and for circulation to members, were approved and authorised for issue by the Trustees and signed on their behalf by:



**Kirsty Fergusson**  
**Trustee**



**Innes Begg Ledingham**  
**Acting Chair**

The notes on pages 23 to 48 form part of these financial statements.

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	22	(65,919)	174,404
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		10,055	9,601
Purchase of tangible assets		(15,244)	(960)
Proceeds from sale of investments		71,240	33,775
Purchase of investments		(74,612)	(38,938)
<b>Net cash (used in)/provided by investing activities</b>		(8,561)	3,478
<b>Change in cash and cash equivalents in the year</b>		(74,480)	177,882
Cash and cash equivalents at the beginning of the year		417,665	239,783
<b>Cash and cash equivalents at the end of the year</b>	23	343,185	417,665

The notes on pages 23 to 48 form part of these financial statements



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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1. General information**

The charitable company is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC079520. The registered office is 7 John's Place, Edinburgh, EH6 7EL. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

St. Andrews Children's Society Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The trustees ordinarily review the charity's forecasts and projections to ensure that St Andrews Children's Society has sufficient resources to enable it to meet its liabilities as they fall due for a period of at least twelve months from the date of signing the financial statements.

In common with other charitable organisations, St Andrews Children's Society depends upon income from its donors, grant givers and other supporters in order to ensure its charitable objectives continue to be achieved. The trustees have reviewed and updated the forecasts and projections in light of the Covid-19 pandemic, and the potential impact upon future income streams and services provided, including the actions that could be taken if income were to reduce. Since the year end the charity has seen an increase in fostering and adoption applications, however it is taking longer to place children due to the current restrictions. Advantage has been taken of government support and initiatives, and the charity has good relationships with both its funders and suppliers with no reason to believe this will not continue in current and future years. The charity also has a strong cash balance for its size, and the team have adapted and are working well within the Covid-19 restrictions. After taking all these factors into account, the trustees are of the opinion that St Andrews Children's Society has and will have adequate financial resources to continue its activities for at least 12 months from when the accounts are approved and hence the accounts are prepared on a going concern basis.

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.3 Income**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. 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 elements of other long term fostering fees is also deferred.

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**2.4 Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Staff costs, overheads and governance costs 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.

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

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

**2.6 Taxation**

The charitable company is a registered charity and no charge for taxation arises on its charitable activities.

The charitable company is not registered for VAT and expenditure includes VAT where relevant.

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets and depreciation**

All assets costing £500 or more are capitalised in the balance sheet.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset and their recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Heritable property	- 2% on cost
Office equipment and furnishings	- 20% on cost
Computer equipment	- 25% on cost

**2.8 Investments and investment income**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(Losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

All investments are carried at their fair value. Investment in equities and fixed asset securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

Income from investments is recognised when receivable and the amount can be measured reliably. Dividends are recognised once the dividend has been declared and notification received of the amount due.

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

**2.10 Cash at bank and in hand**

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

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.11 Creditors**

Creditors are recognised when there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

**2.12 Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each report date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**2.13 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**2.14 Fund accounting**

Unrestricted funds are the funds which can be used in accordance with the charitable objects at the discretion of the directors. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

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

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**3. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical conditions of the assets. See note 14 for carrying amounts of tangible assets.

**4. Income from donations and legacies**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	17,683	-	17,683	22,789
Grants	47,250	276,917	324,167	351,000
	<u>64,933</u>	<u>276,917</u>	<u>341,850</u>	<u>373,789</u>
<i>Total 2019</i>	<u>60,914</u>	<u>312,875</u>	<u>373,789</u>	

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**5. Analysis of grants and donations**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
The John Gordon Charitable Fund	-	2,000	2,000	2,000
Robertson Trust	-	-	-	15,000
Corra Foundation	40,250	250	40,500	30,375
The W Mann Foundation	1,000	-	1,000	-
Morrisons Foundation	-	5,000	5,000	-
The JHT Charitable Trust	500	-	500	-
The Martin Connell Charitable Trust	1,000	-	1,000	-
The R S McDonald Charitable Trust	-	-	-	10,000
The Cattnach Charitable Trust	-	-	-	10,000
The Henry Smith Charity	-	26,250	26,250	35,375
Pump House Trust	1,000	-	1,000	-
HDW Willis	-	500	500	-
Tay Charitable Trust	-	2,000	2,000	-
PF Charitable Trust	2,000	-	2,000	-
Mary Andrew Trust	500	-	500	-
C Burgess Trust	-	-	-	5,000
Blai Cad Stewart Fund	-	-	-	500
Nancy Roberts Trust	1,000	-	1,000	-
Nancy Massey Trust	-	-	-	2,000
Stella Symons	-	-	-	250
Russell Trust	-	-	-	900
Baurer Rad Ta Forth	-	-	-	900
Scottish Government - Corra Foundation	-	133,667	133,667	138,000
Linkmaker	-	102,000	102,000	96,000
Hugh Fraser Foundation	-	4,000	4,000	-
St Katherine's Fund	-	-	-	700
Anton Jurgan's Trust	-	-	-	4,000
Other grants and donations (including Gift Aid)	17,683	1,250	18,933	22,789
	<u>64,933</u>	<u>276,917</u>	<u>341,850</u>	<u>373,789</u>
<b>Total 2019</b>	<u>60,914</u>	<u>312,875</u>	<u>373,789</u>	

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**6. Income from charitable activities**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Training	48,805	48,805	36,043
Adoption	953,309	953,309	823,131
Fostering and respite fees	429,645	429,645	503,713
	<u>1,431,759</u>	<u>1,431,759</u>	<u>1,362,887</u>
<i>Total 2019</i>	<u>1,362,887</u>	<u>1,362,887</u>	

**7. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	9,724	9,724	9,332
Bank deposit income	331	331	269
	<u>10,055</u>	<u>10,055</u>	<u>9,601</u>
<i>Total 2019</i>	<u>9,601</u>	<u>9,601</u>	

**8. Other incoming resources**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sundry income	2,540	65	2,605	10,690
	<u>10,681</u>	<u>9</u>	<u>10,690</u>	
<i>Total 2019</i>	<u>10,681</u>	<u>9</u>	<u>10,690</u>	

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**9. Fundraising costs**

	<b>Adoption Service 2020 £</b>	<b>Post Adoption Service 2020 £</b>	<b>Fostering and Respite Care 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Investment management costs	2,263	870	348	3,481	4,091
Fundraising salary and consultancy costs	14,430	5,550	2,220	22,200	22,200
	<u>16,693</u>	<u>6,420</u>	<u>2,568</u>	<u>25,681</u>	<u>26,291</u>
<i>Total 2019</i>	<u>17,089</u>	<u>6,573</u>	<u>2,629</u>	<u>26,291</u>	

**10. Expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Adoption service	747,768	212,887	960,655	948,305
Post adoption service	299,426	35,015	334,441	328,794
Fostering and respite care	397,479	14,006	411,485	481,362
Governance costs	5,417	-	5,417	3,425
	<u>1,450,090</u>	<u>261,908</u>	<u>1,711,998</u>	<u>1,761,886</u>
<i>Total 2019</i>	<u>1,485,762</u>	<u>276,124</u>	<u>1,761,886</u>	



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**11. Analysis of expenditure by activities**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Adoption service	693,955	266,700	960,655	948,305
Post adoption service	221,827	112,614	334,441	328,794
Fostering and respite care	366,439	45,046	411,485	481,362
Governance costs	-	5,417	5,417	3,425
	<u>1,282,221</u>	<u>429,777</u>	<u>1,711,998</u>	<u>1,761,886</u>
<b>Total 2019</b>	<u>1,325,457</u>	<u>436,429</u>	<u>1,761,886</u>	

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**11. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Adoption service 2020 £</b>	<b>Post adoption service 2020 £</b>	<b>Fostering and respite care 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Pension finance costs	5,850	2,250	900	9,000	4,000
Staff costs	534,558	170,679	68,272	773,509	753,216
Foster carers' fees	-	-	270,757	270,757	332,603
Foster carers' expenses	-	-	838	838	5,603
Adoption expenses	17,416	-	-	17,416	17,477
Legal costs re adoption	9,000	-	-	9,000	12,794
Respite care costs	-	-	6,113	6,113	11,639
Training and supervision	18,175	6,990	2,796	27,961	13,929
Care commission registration fee	3,654	1,406	562	5,622	5,622
Subscriptions and publications	75,362	28,986	11,594	115,942	112,467
Advertising, publicity and PR	2,700	1,039	416	4,155	5,564
Social workers' expenses	27,240	10,477	4,191	41,908	50,543
	<u>693,955</u>	<u>221,827</u>	<u>366,439</u>	<u>1,282,221</u>	<u>1,325,457</u>
<b>Total 2019</b>	<u>666,902</u>	<u>220,508</u>	<u>438,047</u>	<u>1,325,457</u>	

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**11. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Adoption service 2020 £</b>	<b>Post adoption service 2020 £</b>	<b>Fostering and respite care 2020 £</b>	<b>Governance costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Staff costs	90,145	34,672	13,869	-	<b>138,686</b>	139,520
Depreciation	14,557	5,599	2,240	-	<b>22,396</b>	21,847
Property costs	30,565	11,756	4,702	-	<b>47,023</b>	42,837
Office running costs	40,451	15,558	6,223	-	<b>62,232</b>	48,088
Professional fees	10,138	3,900	1,560	-	<b>15,598</b>	22,800
Bank interest and charges	259	100	40	-	<b>399</b>	561
Other expenditure	(10,415)	6,029	2,412	-	<b>(1,974)</b>	35,490
Pension past service cost	91,000	35,000	14,000	-	<b>140,000</b>	122,000
Auditor remuneration	-	-	-	5,417	<b>5,417</b>	3,286
	<b>266,700</b>	<b>112,614</b>	<b>45,046</b>	<b>5,417</b>	<b>429,777</b>	<b>436,429</b>
<b>Total 2019</b>	<b>281,227</b>	<b>108,286</b>	<b>43,315</b>	<b>3,286</b>	<b>436,429</b>	

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**12. Net income/(expenditure)**

	2020 £	2019 £
<b>This is stated after charging:</b>		
Depreciation of fixed assets: owned by the charity	22,396	21,847
Amounts due under operating leases	19,291	28,340
Auditor's remuneration - audit (net)	5,417	2,746
Auditor's remuneration - other services	4,680	4,680
	<u>51,784</u>	<u>57,613</u>

During the year no Trustees received remuneration (2019 - one Trustee received £2,200). This was in respect of fees for services provided as Chair of the Panel.

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2019 - £NIL).

**13. Staff costs**

	2020 £	2019 £
Wages and salaries	724,678	715,787
Employers NIC	65,430	65,146
Pension Costs	144,287	134,003
	<u>934,395</u>	<u>914,936</u>

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

	2020 No.	2019 No.
Social workers	17	16
Administration	4	4
Communications	1	1
Scotland's Adoption Register	3	4
	<u>25</u>	<u>25</u>

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**13. Staff costs (continued)**

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charitable company comprises the Trustees and the Senior Staff as listed on page 1. The total employee benefits of the key management personnel of the charitable company during the year were £246,875 (2019: £238,931).

**14. Tangible fixed assets**

	Heritable property £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	750,000	35,673	43,191	828,864
Additions	-	4,791	10,453	15,244
At 31 March 2020	750,000	40,464	53,644	844,108
<b>Depreciation</b>				
At 1 April 2019	135,000	31,771	37,792	204,563
Charge for the year	15,000	3,323	4,073	22,396
At 31 March 2020	150,000	35,094	41,865	226,959
<b>Net book value</b>				
At 31 March 2020	600,000	5,370	11,779	617,149
At 31 March 2019	615,000	3,902	5,399	624,301

On transition to FRS 102, a valuation of the property as at the date of transition has been identified as the deemed cost of the heritable property going forward.

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Fixed asset investments**

	Listed investments £
<b>Market value</b>	
At 1 April 2019	366,412
Additions	74,612
Disposals	(71,240)
Revaluations	(20,756)
<b>At 31 March 2020</b>	<b>349,028</b>

Investments at market value comprise:

	UK 2020 £	Overseas 2020 £	Total funds 2020 £	Total funds 2019 £
Listed investments	168,232	180,796	349,028	366,412

**16. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	389,057	107,073
Other debtors	31,620	49,000
Prepayments and accrued income	11,531	15,146
	<b>432,208</b>	<b>171,219</b>

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	1,743	15,342
Other taxation and social security	16,061	23,288
Other creditors	16,390	21,911
Accruals and deferred income	53,465	40,785
	<u>87,659</u>	<u>101,326</u>
	2020 £	2019 £
Deferred income at 1 April 2019	36,375	26,625
Resources deferred during the year	46,895	36,375
Amounts released from previous periods	(36,375)	(26,625)
	<u>46,895</u>	<u>36,375</u>

Deferred income in the year relates to grants received from Garfield Weston and Adoption UK for 2020/21.

**18. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	349,028	366,412
Financial assets measured at amortised cost	763,862	573,738
	<u>1,112,890</u>	<u>940,150</u>
	2020 £	2019 £
<b>Financial liabilities</b>		
Financial instruments measured at amortised cost	24,703	41,663

Financial assets measured at fair value through income and expenditure comprise fixed asset investments.

Financial assets measured at amortised cost comprise trade and other debtors and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, and other creditors.

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Property fund	615,000	-	(15,000)	-	-	600,000
Fixed asset fund	9,301	-	(7,396)	-	-	1,905
Adoption support	1,990	-	-	-	-	1,990
	<u>626,291</u>	<u>-</u>	<u>(22,396)</u>	<u>-</u>	<u>-</u>	<u>603,895</u>
<b>General funds</b>						
General fund	557,187	1,509,287	(1,304,375)	10,604	-	772,703
Revaluation reserve - Investments	32,443	-	-	(10,604)	(21,950)	(111)
Pension fund	(267,000)	-	(149,000)	-	220,000	(196,000)
	<u>322,630</u>	<u>1,509,287</u>	<u>(1,453,375)</u>	<u>-</u>	<u>198,050</u>	<u>576,592</u>
<b>Total Unrestricted funds</b>	<u>948,921</u>	<u>1,509,287</u>	<u>(1,475,771)</u>	<u>-</u>	<u>198,050</u>	<u>1,180,487</u>
<b>Restricted funds</b>						
Safebase training	148,140	4,000	-	-	-	152,140
Register	54,220	235,732	(224,658)	-	-	65,294
Concurrent care	51,990	26,500	(26,500)	-	-	51,990
Adoption support	6,000	10,750	(10,750)	-	-	6,000
Aberdeen fund	2,000	-	-	-	-	2,000
	<u>262,350</u>	<u>276,982</u>	<u>(261,908)</u>	<u>-</u>	<u>-</u>	<u>277,424</u>
<b>Total of funds</b>	<u>1,211,271</u>	<u>1,786,269</u>	<u>(1,737,679)</u>	<u>-</u>	<u>198,050</u>	<u>1,457,911</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**19. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Property fund	630,000	-	(15,000)	-	-	615,000
Fixed asset fund	15,188	-	(6,847)	960	-	9,301
Adoption support	1,990	-	-	-	-	1,990
	<u>647,178</u>	<u>-</u>	<u>(21,847)</u>	<u>960</u>	<u>-</u>	<u>626,291</u>
<b>General funds</b>						
General fund	474,868	1,444,083	(1,364,206)	1,482	960	557,187
Revaluation reserve - Investments	30,691	-	-	(2,442)	4,194	32,443
Pension fund	(95,000)	-	(126,000)	-	(46,000)	(267,000)
	<u>410,559</u>	<u>1,444,083</u>	<u>(1,490,206)</u>	<u>(960)</u>	<u>(40,846)</u>	<u>322,630</u>
<b>Total Unrestricted funds</b>	<u>1,057,737</u>	<u>1,444,083</u>	<u>(1,512,053)</u>	<u>-</u>	<u>(40,846)</u>	<u>948,921</u>

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

**Statement of funds - prior year (continued)**

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£	£
<b>Restricted funds</b>						
Safebase training	143,440	4,700	-	-	-	148,140
Scotland's Adoption register	59,862	234,009	(239,651)	-	-	54,220
Concurrent care	16,288	55,375	(19,673)	-	-	51,990
Adoption support	6,000	15,000	(15,000)	-	-	6,000
Aberdeen fund	-	2,000	-	-	-	2,000
Relax Kids	-	1,800	(1,800)	-	-	-
	<u>225,590</u>	<u>312,884</u>	<u>(276,124)</u>	<u>-</u>	<u>-</u>	<u>262,350</u>
<b>Total of funds</b>	<u><u>1,283,327</u></u>	<u><u>1,756,967</u></u>	<u><u>(1,788,177)</u></u>	<u><u>-</u></u>	<u><u>(40,846)</u></u>	<u><u>1,211,271</u></u>

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds	626,291	-	(22,396)	-	-	603,895
General funds	322,630	1,509,287	(1,453,375)	-	198,050	576,592
Restricted funds	262,350	276,982	(261,908)	-	-	277,424
	<u>1,211,271</u>	<u>1,786,269</u>	<u>(1,737,679)</u>	<u>-</u>	<u>198,050</u>	<u>1,457,911</u>

**Summary of funds - prior year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
Designated funds	647,178	-	(21,847)	960	-	626,291
General funds	410,559	1,444,083	(1,490,206)	(960)	(40,846)	322,630
Restricted funds	225,590	312,884	(276,124)	-	-	262,350
	<u>1,283,327</u>	<u>1,756,967</u>	<u>(1,788,177)</u>	<u>-</u>	<u>(40,846)</u>	<u>1,211,271</u>

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**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**20. Summary of funds (continued)**

**Designated Reserves**

**The Property fund** corresponds to the net book value of the heritable property, including the revaluation reserve. This serves to separate the value of the assets from the free reserves available in the general fund. Annual depreciation of £15,000 has been charged to the fund.

**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 £7,395 has been charged to the fund.

**The Adoption Support fund** arises from grants received to provide ongoing support to families, children and adult adoptees after the adoption is granted. These services are not covered by the adoption fee.

**Free Reserves**

**The General fund** has been set up to enable the directors to make progress towards objectives set out in the reserves policy.

**Restricted Reserves**

**The Safebase training fund** arises from trust fund donations received during the year to fund this post adoption support programme.

**Scotland's Adoption Register fund** represents funding by the Scottish Government and the grant funds can only be used to further the aims of the Register.

**The Concurrent Care fund** arises from grants received to meet the costs of assessing and supporting families in addition to training staff in respect of concurrency.

**The Aberdeen fund** represents income and expenditure in relation to services in Aberdeen.

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	617,149	-	617,149
Fixed asset investments	349,028	-	349,028
Current assets	497,969	277,424	775,393
Creditors due within one year	(87,659)	-	(87,659)
Provisions for liabilities and charges	(196,000)	-	(196,000)
<b>Total</b>	<b>1,180,487</b>	<b>277,424</b>	<b>1,457,911</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	624,301	-	624,301
Fixed asset investments	366,412	-	366,412
Current assets	326,534	262,350	588,884
Creditors due within one year	(101,326)	-	(101,326)
Provisions for liabilities and charges	(267,000)	-	(267,000)
<b>Total</b>	<b>948,921</b>	<b>262,350</b>	<b>1,211,271</b>

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

	<b>2020 £</b>	<b>2019 £</b>
Net income/(expenditure) for the period (as per Statement of Financial Activities)	<b>26,640</b>	<b>(26,056)</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>22,396</b>	<b>21,847</b>
Losses/(gains) on investments	<b>20,756</b>	<b>(5,154)</b>
Dividends, interests and rents from investments	<b>(10,055)</b>	<b>(9,601)</b>
(Increase)/decrease in debtors	<b>(260,989)</b>	<b>36,255</b>
(Decrease)/increase in creditors	<b>(13,667)</b>	<b>31,113</b>
Pension movement	<b>149,000</b>	<b>126,000</b>
<b>Net cash (used in)/provided by operating activities</b>	<b>(65,919)</b>	<b>174,404</b>

**ST. ANDREWS CHILDREN'S SOCIETY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	343,185	417,665
<b>Total cash and cash equivalents</b>	<b>343,185</b>	<b>417,665</b>

**24. Analysis of changes in net debt**

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	417,665	(74,480)	343,185
	<b>417,665</b>	<b>(74,480)</b>	<b>343,185</b>

**25. 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 on 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 at 31 March 2017 by Hymans Robertson independent actuaries and this has been updated to reflect conditions at the balance sheet date, 31 March 2020.

Contribution rates during the year were set at 31.6% by the employer and at rates varying from 5% to 8.1% by the employee depending on salary level. The main assumptions used by the actuary in the valuation are shown below:

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

	At 31 March 2020 % p.a.	At 31 March 2019 % p.a.
Discount rate	2.3	2.4
Salary increase rate	3.5	4.2
Pension Increase rate	1.9	2.5

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**25. Defined benefit pension scheme (continued)**

	<b>Males</b>	<i>Females</i>
Mortality rates (in years)		
Current pensioners	<b>21.7</b>	24.3
Future pensioners	<b>24.7</b>	27.5

Historic mortality

Life expectancies for the prior period end are based on the Fund's Vita Curves. The allowance for future life expectancies are:

<b>Period ended</b>	<b>Prospective Pensioners</b>	<b>Pensioners</b>
31 March 2019	CMI 2016 model assuming an allowance for smoothing or recent mortality experience and long term rate of 1.25% p.a.	

Reconciliation of fair value of employer assets

	<b>At 31 March 2020 £(000)</b>	<i>At 31 March 2019 £(000)</i>
Opening fair value of employer assets	<b>6,452</b>	5,859
Interest income	<b>155</b>	159
Contribution by members	<b>48</b>	46
Contribution by the employer	<b>138</b>	129
Expected return on assets	<b>(412)</b>	396
Benefits paid	<b>(135)</b>	(137)
<b>Closing fair value of employer assets</b>	<b>6,246</b>	6,452

Commutation

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

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**25. Defined benefit pension scheme (continued)**

Analysis of the amounts recognised in the balance sheet

	2020 £(000)	2019 £(000)
Fair value of employer assets	6,246	6,452
Present value of funded liabilities	(6,442)	(6,719)
<b>Net (liability)</b>	<b>(196)</b>	<b>(267)</b>

Reconciliation of defined benefit obligations

	31 March 2020 £(000)	31 March 2019 £(000)
Opening defined benefit obligation	6,719	5,954
Current service cost	278	251
Interest cost	164	163
Contributions by members	48	46
Actuarial losses	(603)	442
Other experience	(29)	-
Estimated benefits paid	(135)	(137)
<b>Closing defined benefit obligation</b>	<b>6,442</b>	<b>6,719</b>

Recognition in the Statement of Financial Activity (SOFA)

	31 March 2020 £(000)	31 March 2019 £(000)
Current service cost	278	251
Contribution by employer	(138)	(129)
Expected return in employer assets	9	4
	<b>149</b>	<b>126</b>



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Analysis of projected amount to be charged to resources expended for the year to 31 March 2021

Year ended

	£000	31 March 2020 % of pay
Projected current service cost	246	39
Interest income	(144)	(23)
Interest cost	150	24
	<u>252</u>	<u>40</u>

The employer's contribution for the year to 31 March 2021 is estimated at £145,000.

**26. Operating lease commitments**

At 31 March 2020 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	14,431	21,192
Between 1 and 5 years	4,860	7,148
	<u>19,291</u>	<u>28,340</u>

**27. Related party transactions**

Mr Fergus Christie, a Trustee, is a partner in BCKM who act as solicitors for the company. The firm received fees of £9,000 (2019: £794) for legal services during the year. This fee includes all legal representation for parents in court.

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**28. Post balance sheet events**

Since March 2020, and continuing until the date of signing of these financial statements and beyond, the UK and the world has faced unprecedented uncertainty and disruption as a result of COVID-19. The trustees have considered the effects of this pandemic on the operations and any going concern implications for the business post year-end with full details noted in section 2.2 in accounting policies.

**29. Controlling party**

In the opinion of the Trustees there is no ultimate controlling party of the charitable company.