

Registered company number: SC079520
Scottish charity number: SC005754

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018**

Trustees

Mrs Maureen McEvoy, MBE, MA, MPS, Chair
Mr Fergus Christie, MA, LLB, SSC, NP, KHS, Vice Chair and Company Secretary
Ms Kirsty Fergusson, BA, FCCA, Treasurer
Mrs Anne Hampton, MA, Dip Soc Admin, Dip SW
Mrs Nicola Kehoe, BA (Hons), PGDE
Ms Catriona Walker, BSc, CQSW (resigned 31 October 2017)
Hon Lord Minginish (Roderick John MacLeod QC)
Mr David Johnston, BA, Dip Soc Admin, Dip SW
Mr Innes Begg Ledingham, BCom CA (Elected 31 October 2017)
Mr Robert Hilton Swift CQSW MSc (Elected 31 October 2017)

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

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

Senior management team

Stephen Small, Director
Charlie Egan, Service Manager
Marie Hindmarsh, Service Manager (Retired 30.07.17)
Rita Grant, Service Manager
Claire McMahon, Office Manager

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

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 2018

Advisers (continued)

Solicitors

BCKM
53 George IV Bridge
Edinburgh
EH1 1YH

Investment Managers

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

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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 St Andrews Children's Society Limited for the year ended 31 March 2018.

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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1.

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

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 adoption 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.

Review of activities and key performance indicators

This has been a year of regrouping and consolidation for us, after a financially difficult year. During the previous year we had to ask staff to consider voluntary redundancy, and three staff members left us in early summer this year. We were able to cut our costs, and this together with a surplus in our pension fund meant that we finished this year with a surplus. Due to legal delays and complications we did not achieve our target of 30 children placed for adoption, but we know that some placements will take place early in our new financial year, giving us a good start to 2018-2019.

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 are now rising, and we are confident that our staff team can continue to provide the excellent service for which we are well known. We have one new staff member, who replaced a social worker who moved on, and we have given a temporary contract to another new worker, who has provided maternity cover and helped with post placement support. The enthusiasm of these two new social workers, coupled with the hard work and commitment of our longer term staff, has brought a new energy to our staff team. Applicants are fulsome in their praise of the professionalism and genuine care shown to them on their adoption journey,

Our Aberdeen office continues to be successful, but while recruitment of adopters has picked up somewhat in Edinburgh this has not been as evident in Aberdeen. We have also now amended our strategy to allow us to recruit foster carers from our Aberdeen office as the demand for permanent foster carers is evident.

We continue to collaborate with West Lothian Council on Concurrent Planning, and expect to make our first 'pure' concurrency placement in the coming year. We will also be reviewing this service with a view to considering similar relationships with other councils.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

This year we placed 24 children for adoption, which is an increase over last year, and we have 7 children matched with adopters, as yet unable to move till legal and other formalities allow. We are proud that our disruption rate of adoption placements remains below the British average for the older children with more complex histories whom we place. We believe the preparation we give families before placement, and the support we give after placement is the reason for our success rate.

We continue to develop our post placement support to families, as we are aware this is vital to the long term stability of the 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 139 occasions. This has often been in face-to-face work in respect of particular issues, and also in accompanying them and advocating at schools. We have also liaised with other professionals, such as Children and Adolescent Mental Health Service (CAMHS). Other families were supported through a number of support groups, such as the dad's group and, the Aberdeen "Dads and Lads" group. We also held a Teddy Bears Picnic and Storytelling session in the summer, and our Annual Christmas Parties in Aberdeen and Edinburgh. In conjunction with our colleagues in Scottish Adoption and Edinburgh City Council we are supporting organised groups of single adopters.

We offer parents and their children the opportunity to attend the Parent and Toddler Theraplay Groups, which are run for 6 weeks and gives the children the opportunity to visit early play experiences which they may have missed. We have been hosting the Theraplay Level 1 training for a number of years, and it is a growing part of our contribution to adoption work in Scotland. Building on our work in previous years, we ran the Safebase programme for families, but unfortunately only once this year. We are confident in the value of this programme, but the unwillingness of Local Authorities to fund families attending means that our own fundraising efforts this year were only able to support eight families. SafeBase has been evaluated by two independent researchers, whose findings have been interesting and positive. This report will be made available to Local Authorities over the coming months.

We have piloted, SafeBase for Schools Programme, and received feedback that it was really useful and informative. We hope to deliver this to at least three schools in the coming year, but we are aware of the financial resource and time constraints on schools at this time.

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. Many of these carers, however, have cared for children into adulthood, and are no longer available to care for new, younger children. We are therefore developing a campaign to attract new foster carers. During the year 2017-18 we have had 16 children in foster/respite placements with 15 families.

The Scottish Government has asked us to continue to manage Scotland's Adoption Register until March 2020.

After deliberation, the Board of Trustees decided it would be a sound investment to appoint a part-time Marketing and Social Media expert, and recruiting will start in April 2018. We are mindful that the extra expense of employing a Fund Raiser was a very successful decision, attracting funds totaling many times the salary costs. We anticipate that our Marketing and Social Media position, once filled, will soon show results in recruitment of adopters and foster carers.

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, our adopters and foster carers, our Adoption and Foster Care Panel members, the Charitable Trusts and donors who give us financial support.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Financial review

As shown in the financial activities on page 13, there were net outgoing resources of £212,829 (2017 - £257,708) during the year before the actuarial movement on the pension scheme, comprising a decrease of £254,149 (2017 - £293,472) in unrestricted funds and an increase of £41,320 (2017 - £35,764) in restricted funds. The financial results are largely due to a decrease in both fostering fees and adoption placement fees. Adoption placements though have increased from the previous year to 24 (2017 - 21). The decrease in income has been offset by increased training income. The employment of a part-time fundraiser continued during the year at a cost of £22,200 (2017 - £28,827) and total grants and donations received were £359,755 (2017 - £273,168) as detailed in note 2 on page 19.

The net movement in funds highlights a £121,171 surplus (2017 - deficit of £492,708). The market value of investments held by Brewin Dolphin at 31 March 2018 was £360,904 (2017 - £365,050) less cash £4,809 (2017 - £7,150), held in a cash account, totaling £356,095 (2017 - £357,900) shown in Fixed Assets. This result in total funds carried forward of £1,283,327 (2017 - £1,162,156) of which £1,057,737 (2017 - £1,036,475) is unrestricted and £225,590 (2017 - £125,681) is restricted.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Investment Policy

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.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease. The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The high current demand for high quality corporate bond and government stock continues to depress the yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Plans for future periods

The Society wishes to increase the number of adoptive families we recruit so that more children who wait will be able to enjoy love and security in their new families. To help us achieve this the Board have agreed to recruit a part time worker in Marketing and Social Media and this post will be filled early in the next financial year. We are also reviewing our fostering operation. There are signs that some Local Authorities, which due to financial pressures had reduced their use of our fostering service, are now contacting us again. The need is for foster carers able to care long term for older children, whose behaviour can be very challenging as a result of trauma in their earlier lives. This is not an easy task, and only a few people are willing to have their lives turned upside down in this way, but those foster carers we have, report a great sense of satisfaction in giving young people another chance in life.

We continue to increase the variety of ways in which we support our adopters and foster carers, with a variety of support groups and individual training sessions. We will use our commissioned research, evaluating the impact of our SafeBase programme, to encourage Local Authorities to see that it is a cost effective way of maintaining adoption placements for their children. One result of our work has been the recognition of other professionals of our expertise, and we are expanding our training programme. This provides us with income, and also is a showcase for the quality of our work in adoption and foster care.

We will continue the management of the Scotland's Adoption Register until March 2020.

Structure, governance and management

Constitution

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 Social Worker, 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. The names of those who served as Board members during the year and other reference and administrative details are shown on page 1.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Key Management Personnel and Remuneration Policy

The Board, who are also the directors, are responsible for strategic planning and are ultimately accountable for the operations of the charity. Trustees delegate responsibility for the running and operating the charity on a day to day basis to the CEO and the management team, who are all employees. All trustees give of their time freely and no trustees received remuneration nor expenses for their services as trustees in the year.

The remuneration of the staff is broadly in line with the Local Authority remuneration, including pension arrangements.

Risk management

Principal risks and uncertainties

The Board of Trustees has responsibility for ensuring that there are effective risk management and internal control systems in place to manage the charity's risks and support achievement of our strategic objectives.

Processes in place to manage the key risks that could affect the charity's ability to achieve its objectives include the following:

- A risk escalation protocol is established to identify risks and ensure these are included in the risk register.
- The Board of Trustees approves the risk register on an annual basis, incorporating any relevant audit risk findings.
- A framework of Delegated authority is established with detailed procedures setting out governance and decision making process for key corporate decisions.
- A whistleblowing policy is in place, which is communicated and accessible to all employees. All whistleblowing cases are subject to independent review, investigation and reporting to Trustees where required.

Trustees' responsibilities statement

The Trustees (who are also 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. 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 are sufficient to show and explain

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

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 auditors

Each of the persons who are Trustees, who are also directors of the charitable company for the purposes of company law, 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 charitable company's auditors are 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 charitable company's auditors are aware of that information.

Auditors

French Duncan LLP were appointed during the year and have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors 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.

This report was approved by the Trustees, on 08/10/18 and signed on their behalf by:


.....
Maureen McEvoy
Trustee


.....
Kirsty Fergusson
Trustee

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

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF ST. ANDREWS
CHILDREN'S SOCIETY LIMITED**

Opinion

We have audited the financial statements of St. Andrews Children's Society Limited (the 'charitable company') for the year ended 31 March 2018 set out on pages 13 to 36. 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 2018 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 Auditors' 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.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF ST. ANDREWS
CHILDREN'S SOCIETY LIMITED**

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 Auditors' 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.

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.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF ST. ANDREWS
CHILDREN'S SOCIETY LIMITED**

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.

Auditors' 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 Auditors' 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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with 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 Auditors' 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: 17/01/2018

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

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	75,080	284,675	359,755	273,168
Charitable activities:	3				
Adoption placement fees and expenses		573,561	-	573,561	599,512
Fostering and respite fees and expenses		558,249	-	558,249	615,829
Training income		32,340	-	32,340	38,213
Investments	4	8,315	-	8,315	7,506
Other income	5	-	11	11	6,722
Total income		1,247,545	284,686	1,532,231	1,540,950
Expenditure on:					
Raising funds:					
Fundraising costs	6	25,525	-	25,525	31,985
Charitable activities:					
Adoption services		720,289	243,366	963,655	973,809
Post adoption support		221,231	-	221,231	273,978
Fostering and respite care		522,106	-	522,106	542,882
Governance costs		2,897	-	2,897	-
Total expenditure	9	1,492,048	243,366	1,735,414	1,822,654
Net income / (expenditure) before investment gains/(losses)		(244,503)	41,320	(203,183)	(281,704)
Net gains/(losses) on investments	14	(9,646)	-	(9,646)	23,996
Net income / (expenditure) before transfers		(254,149)	41,320	(212,829)	(257,708)
Transfers between Funds	17	(58,589)	58,589	-	-
Net income / (expenditure) before other recognised gains and losses		(312,738)	99,909	(212,829)	(257,708)
Actuarial gain/(loss) on defined benefit pension scheme		334,000	-	334,000	(235,000)
Net movement in funds		21,262	99,909	121,171	(492,708)
Reconciliation of funds:					
Total funds brought forward		1,036,475	125,681	1,162,156	1,654,864
Total funds carried forward		1,057,737	225,590	1,283,327	1,162,156

The notes on pages 16 to 36 form part of these financial statements.

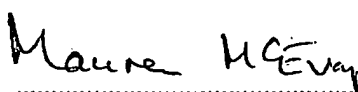
ST. ANDREWS CHILDREN'S SOCIETY LIMITED**(A Company Limited by Guarantee)****REGISTERED NUMBER: SC079520**

**BALANCE SHEET
AS AT 31 MARCH 2018**

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		645,188		662,561
Investments	14		356,095		357,900
			<u>1,001,283</u>		<u>1,020,461</u>
Current assets					
Debtors	15	207,474		273,243	
Cash at bank and in hand		239,783		304,750	
		<u>447,257</u>		<u>577,993</u>	
Creditors: amounts falling due within one year	16	(70,213)		(127,298)	
Net current assets			<u>377,044</u>		<u>450,695</u>
Total assets less current liabilities			<u>1,378,327</u>		<u>1,471,156</u>
Defined benefit pension scheme liability			(95,000)		(309,000)
Net assets including pension scheme liabilities			<u>1,283,327</u>		<u>1,162,156</u>
Charity Funds					
Restricted funds	17		225,590		125,681
Unrestricted funds	17		1,057,737		1,036,475
Total funds			<u>1,283,327</u>		<u>1,162,156</u>

The charitable company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and constitute the annual financial statements required by the Companies Act and are for circulation to the members of the charitable company.

The financial statements were approved and authorised for issue by the Trustees on 08/10/2018 and signed on their behalf, by:



Maureen McEvoy
Trustee



Kirsty Fergusson
Trustee

The notes on pages 16 to 36 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	19	<u>(60,439)</u>	<u>(124,128)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		8,315	7,506
Purchase of tangible fixed assets		(5,002)	(2,741)
Proceeds from sale of investments		14,992	49,196
Purchase of investments		<u>(22,833)</u>	<u>(52,313)</u>
Net cash (used in)/provided by investing activities		<u>(4,528)</u>	<u>1,648</u>
Change in cash and cash equivalents in the year		(64,967)	(122,480)
Cash and cash equivalents brought forward		<u>304,750</u>	<u>427,230</u>
Cash and cash equivalents carried forward	20	<u><u>239,783</u></u>	<u><u>304,750</u></u>

The notes on pages 16 to 36 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies

The financial statements were prepared in Sterling and rounded to the nearest £.

1.1 Company status

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.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)) as amended by Update Bulletin 1, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Accounts Scotland Regulations 2006 (as amended) 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.

1.3 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Charity's ability to continue as a going concern and have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities when the Trust 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 element 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

1.5 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 the amount of the obligation can be measured reliably.

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.

1.6 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.

1.7 Taxation

The 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.

1.8 Operating leases

Rentals 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.

1.9 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

1.10 Tangible fixed assets and depreciation

All assets costing more than £500 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 may not be 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 provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.11 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 fair 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.

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.

1.12 Debtors

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

1.13 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.

1.14 Creditors

Creditors are recognised where the company has 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 trade discounts due.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting Policies (continued)

1.15 Fund accounting

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.

Unrestricted general 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 the funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.16 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.

(i) 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 13 for carrying amounts of tangible assets.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	10,080	-	10,080	9,008
Grants	65,000	284,675	349,675	264,160
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	75,080	284,675	359,755	273,168
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	89,211	183,957	273,168	
	<hr/>	<hr/>	<hr/>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

Analysis of grants and donations

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
For Aberdeen				
The John Gordon Charitable Fund	2,000	-	2,000	-
Robertson Trust	-	15,000	15,000	15,000
Alexander Moncur Trust	-	-	-	2,000
McDonald Trust	-	-	-	10,000
E & S Henderson	-	-	-	215
Sub total for Aberdeen	2,000	15,000	17,000	27,215
For Other Funds				
Clipper Foundation	1,500	-	1,500	-
Corra Foundation	40,500	-	40,500	40,500
The Kintore Charitable Trust	1,000	-	1,000	-
The W Mann Foundation	1,500	-	1,500	-
The Royal Caledonian Charities Trust	3,000	-	3,000	-
The Ryvoan Trust	5,000	-	5,000	-
The JTH Charitable Trust	500	-	500	-
The Martin Connell Charitable Trust	1,000	-	1,000	-
Hugh Fraser Foundation	-	6,000	6,000	-
The R S McDonald Charitable Trust	-	10,000	10,000	-
The Cattanach Charitable Trust	-	10,000	10,000	-
The Lady Marian Gibson Trust	3,000	-	3,000	-
The Henry Smith Charity	-	8,875	8,875	-
Gloag Foundation	2,000	-	2,000	-
Tay Charitable Trust	1,000	-	1,000	-
Leach Family Charitable Trust	2,000	-	2,000	-
Others	-	-	-	1,500
Souter Trust	-	-	-	3,000
Clair Caddell	-	-	-	400
James Weir	-	-	-	3,000
PF Charitable Trust	1,000	-	1,000	1,000
Gibson Kerr Law Solicitors	-	-	-	30,588
Sub total for Other Funds	63,000	34,875	97,875	79,988
For Scotland's Adoption Register				
Scottish Government - Corra Foundation	-	138,000	138,000	156,457
Linkmaker	-	96,000	96,000	-
Sub total for Scotland's Adoption Register	-	234,000	234,000	156,457
For Safebase Project				
Kuenssberg Foundation	-	-	-	500
Other	-	800	800	-

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

Sub total for Safebase	-	800	800	500
Other grants and donations (including Gift Aid)	10,080	-	10,080	9,008
Total for year	75,080	284,675	359,755	273,168

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Training	32,340	-	32,340	38,213
Adoption	573,561	-	573,561	599,512
Fostering and respite fees	558,249	-	558,249	615,829
	1,164,150	-	1,164,150	1,253,554
<i>Total 2017</i>	<i>1,253,554</i>	<i>-</i>	<i>1,253,554</i>	

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	8,159	-	8,159	6,940
Bank deposit interest	156	-	156	566
	8,315	-	8,315	7,506
<i>Total 2017</i>	<i>7,506</i>	<i>-</i>	<i>7,506</i>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Other incoming resources

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Sundry income	-	11	11	6,722
<i>Total 2017</i>	6,722	-	6,722	

6. Fundraising costs

	Adoption Service £	Post Adoption Service £	Fostering and Respite Care £	Governance Costs £	2018 £	2017 £
Investment management costs	2,327	665	333	-	3,325	3,158
Fundraising salary and consultancy costs	15,540	4,440	2,220	-	22,200	28,827
Total	17,867	5,105	2,553	-	25,525	31,985
<i>Total 2017</i>	22,389	6,397	3,199	-	31,985	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Direct costs

	Adoption service £	Post adoption service £	Fostering and respite care £	Governance costs £	Total 2018 £	Total 2017 £
Pension interest	6,300	1,800	900	-	9,000	-
Foster carers' fees	-	-	370,879	-	370,879	384,745
Foster carers' expenses	-	-	4,034	-	4,034	2,097
Adoption expenses	15,696	-	-	-	15,696	17,681
Legal costs re adoption	32,078	-	-	-	32,078	37,088
Respite care costs	-	-	8,488	-	8,488	5,534
Training and supervision	15,104	4,378	2,189	219	21,890	30,940
Safebase costs	9,279	-	-	-	9,279	6,424
Care commission registration fee	3,744	-	1,316	-	5,060	4,999
Subscriptions and publications	76,203	-	26,774	-	102,977	46,990
Advertising, publicity and PR	10,106	2,888	1,444	-	14,438	9,671
Social workers' expenses	31,740	9,069	4,534	-	45,343	58,311
Social workers' salary costs	446,611	127,603	63,802	-	638,016	796,662
Scotland's Adoption Register salary costs	52,566	-	-	-	52,566	61,054
	<u>699,427</u>	<u>145,738</u>	<u>484,360</u>	<u>219</u>	<u>1,329,744</u>	<u>1,462,196</u>
<i>Total 2017</i>	<u>749,222</u>	<u>204,721</u>	<u>508,253</u>	<u>-</u>	<u>1,462,196</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8. Support costs

	Adoption service £	Post adoption service £	Fostering and respite care £	Governance costs £	Total 2018 £	Total 2017 £
Property costs	23,562	6,732	3,366	-	33,660	38,219
Office running costs	31,749	9,071	4,536	-	45,356	46,647
Professional fees	15,763	4,504	2,252	-	22,519	23,180
Bank interest and charges	682	195	97	-	974	566
Other expenditure	9,697	2,770	1,385	-	13,852	9,422
Pension past service cost	77,700	22,200	11,100	-	111,000	74,000
Auditor remuneration	-	-	-	2,678	2,678	2,040
Wages and salaries	89,413	25,547	12,773	-	127,733	111,233
Depreciation	15,661	4,475	2,237	-	22,373	23,166
	<u>264,227</u>	<u>75,494</u>	<u>37,746</u>	<u>2,678</u>	<u>380,145</u>	<u>328,473</u>
<i>Total 2017</i>	<u>224,587</u>	<u>69,257</u>	<u>34,629</u>	<u>-</u>	<u>328,473</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Costs of raising funds:					
Expenditure on raising voluntary income	22,199	-	3,325	25,524	31,985
Subtotal costs of raising funds	22,199	-	3,325	25,524	31,985
Charitable activities:					
Adoption service	588,590	15,661	359,403	963,654	973,809
Post adoption service	153,150	4,475	63,607	221,232	273,978
Fostering and respite care	76,575	2,237	443,294	522,106	542,882
Governance costs	-	-	2,897	2,897	-
Subtotal charitable activities	818,315	22,373	869,201	1,709,889	1,790,669
	840,514	22,373	872,526	1,735,413	1,822,654
Total 2017	997,776	23,166	801,712	1,822,654	

10. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	22,375	23,164
Auditors' remuneration - audit (net)	2,678	2,040
Auditors' remuneration - other services	10,826	7,765

During the year, one (2017 - NIL) Trustee received remuneration amounting to £1,007 (2017 - £NIL). This was in respect of fees for services provided as Chair of the Panel.

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages & salaries	661,166	757,043
Employers NIC	64,428	72,371
Pension Costs	114,920	135,169
Redundancy costs	-	33,193
Total	840,514	997,776

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

	2018 No.	2017 No.
Social workers	19	21
Administration	4	4
Fundraising	-	1
Scotland's Adoption Register	3	1
	26	27

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

The key management personnel of the charitable company comprise the Trustees, the Director 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 £243,136 (2017: £257,933).

12. Other finance income / (charges)

	2018 £	2017 £
Interest on pension scheme liabilities	(9,000)	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. Tangible fixed assets

	Heritable property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2017	750,000	34,969	44,289	829,258
Additions	-	900	4,102	5,002
At 31 March 2018	750,000	35,869	48,391	834,260
Depreciation				
At 1 April 2017	105,000	27,822	33,875	166,697
Charge for the year	15,000	2,735	4,640	22,375
At 31 March 2018	120,000	30,557	38,515	189,072
Net book value				
At 31 March 2018	630,000	5,312	9,876	645,188
At 31 March 2017	645,000	7,147	10,414	662,561

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.

14. Fixed asset investments

	Listed securities £
Market value	
At 1 April 2017	357,900
Additions	22,833
Disposals	(14,992)
Revaluations	(9,646)
At 31 March 2018	356,095
Historical cost	325,404

Investments at market value comprise:

	UK £	Overseas £	2018 £	2017 £
Listed investments	190,400	165,695	356,095	357,900

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. Fixed asset investments (continued)

There were no individual investments representing more than 5% of the market value at 31 March 2018.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all trade 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).

15. Debtors

	2018 £	2017 £
Trade debtors	144,946	188,135
Other debtors	45,000	69,719
Prepayments and accrued income	17,528	15,389
	<u>207,474</u>	<u>273,243</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	4,655	53,515
Other taxation and social security	16,033	17,667
Other creditors	17,824	16,563
Accruals and deferred income	31,701	39,553
	<u>70,213</u>	<u>127,298</u>

Deferred income

Resources deferred during the year	26,625
Deferred income at 31 March 2018	<u>26,625</u>

Deferred income in the year relates to a grant received towards a year's running costs of the Concurrent Care project that runs from January 2018 to December 2018.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds						
Property fund	645,000	-	(15,000)	-	-	630,000
Fixed asset fund	17,561	-	(7,375)	5,002	-	15,188
Adoption support	1,990	-	-	-	-	1,990
	<u>664,551</u>	<u>-</u>	<u>(22,375)</u>	<u>5,002</u>	<u>-</u>	<u>647,178</u>
General funds						
General fund	326,046	1,247,545	(1,469,673)	36,950	334,000	474,868
Revaluation reserve - Investments	45,878	-	-	(5,541)	(9,646)	30,691
Pension fund	-	-	-	(95,000)	-	(95,000)
	<u>371,924</u>	<u>1,247,545</u>	<u>(1,469,673)</u>	<u>(63,591)</u>	<u>324,354</u>	<u>410,559</u>
Total Unrestricted funds	<u>1,036,475</u>	<u>1,247,545</u>	<u>(1,492,048)</u>	<u>(58,589)</u>	<u>324,354</u>	<u>1,057,737</u>
Restricted funds						
	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Safebase training	151,919	800	(9,279)	-	-	143,440
Education support	16,635	-	-	(16,635)	-	-
Aberdeen fund from Scotland's Adoption Register	(90,224)	15,000	-	75,224	-	-
	<u>47,351</u>	<u>234,011</u>	<u>(221,500)</u>	<u>-</u>	<u>-</u>	<u>59,862</u>
Concurrent Care	-	28,875	(12,587)	-	-	16,288
Adoption Support	-	6,000	-	-	-	6,000
	<u>125,681</u>	<u>284,686</u>	<u>(243,366)</u>	<u>58,589</u>	<u>-</u>	<u>225,590</u>
Total of funds	<u>1,162,156</u>	<u>1,532,231</u>	<u>(1,735,414)</u>	<u>-</u>	<u>324,354</u>	<u>1,283,327</u>

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2017</i>
	£	£	£	£	£	£
Designated funds						
Property fund	660,000	-	(15,000)	-	-	645,000
Fixed asset fund	22,986	-	(8,166)	-	2,741	17,561
Adoption support	1,990	-	-	-	-	1,990
	<u>684,976</u>	<u>-</u>	<u>(23,166)</u>	<u>-</u>	<u>2,741</u>	<u>664,551</u>
General funds						
General fund	879,971	1,356,993	(1,419,558)	(211,004)	(234,478)	371,924
	<u>879,971</u>	<u>1,356,993</u>	<u>(1,419,558)</u>	<u>(211,004)</u>	<u>(234,478)</u>	<u>371,924</u>
Total Unrestricted funds	<u>1,564,947</u>	<u>1,356,993</u>	<u>(1,442,724)</u>	<u>(211,004)</u>	<u>(231,737)</u>	<u>1,036,475</u>
Restricted funds						
	<i>Balance at 1 April 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2017</i>
	£	£	£	£	£	£
Safebase training	150,831	500	(6,424)	-	7,012	151,919
Education support	16,635	-	-	-	-	16,635
Aberdeen fund from Scotland's Adoption Register	(113,988)	27,000	(227,961)	-	224,725	(90,224)
	<u>36,439</u>	<u>156,457</u>	<u>(145,545)</u>	<u>-</u>	<u>-</u>	<u>47,351</u>
	<u>89,917</u>	<u>183,957</u>	<u>(379,930)</u>	<u>-</u>	<u>231,737</u>	<u>125,681</u>
Total of funds	<u>1,654,864</u>	<u>1,540,950</u>	<u>(1,822,654)</u>	<u>(211,004)</u>	<u>-</u>	<u>1,162,156</u>

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Summary of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds	664,551	-	(22,375)	5,002	-	647,178
General funds	371,924	1,247,545	(1,469,673)	(63,591)	324,354	410,559
	1,036,475	1,247,545	(1,492,048)	(58,589)	324,354	1,057,737
Restricted funds	125,681	284,686	(243,366)	58,589	-	225,590
	1,162,156	1,532,231	(1,735,414)	-	324,354	1,283,327

Summary of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds	684,976	-	(23,166)	-	2,741	664,551
General funds	879,971	1,356,993	(1,419,558)	(211,004)	(234,478)	371,924
	1,564,947	1,356,993	(1,442,724)	(211,004)	(231,737)	1,036,475
Restricted funds	89,917	183,957	(379,930)	-	231,737	125,681
	1,654,864	1,540,950	(1,822,654)	(211,004)	-	1,162,156

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 these 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 £5,479 has been charged to the fund.

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.

Free Reserves

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

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17. Statement of funds (continued)

Restricted Reserves

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

The **Education support fund** arose from a grant by the Esmee Fairbairn Foundation for work aimed at reducing the negative impact of attachment disorder issues on adopted/fostered children's educational attainment and social functioning at school. This was fully spent in prior years and therefore a transfer has now been made in the current year to move the funds to unrestricted funds.

The **Aberdeen fund** represents income and expenses in relation to services in Aberdeen. A transfer has been made in the current year from unrestricted funds to clear the outstanding deficit.

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	645,188	-	645,188
Fixed asset investments	356,095	-	356,095
Current assets	221,667	225,590	447,257
Creditors due within one year	(70,213)	-	(70,213)
Provisions for liabilities and charges	(95,000)	-	(95,000)
	<u>1,057,737</u>	<u>225,590</u>	<u>1,283,327</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	662,561	-	662,561
Fixed asset investments	357,900	-	357,900
Current assets	452,312	125,681	577,993
Creditors due within one year	(127,298)	-	(127,298)
Provisions for liabilities and charges	(309,000)	-	(309,000)
	<u>1,036,475</u>	<u>125,681</u>	<u>1,162,156</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(212,829)	(257,708)
Adjustment for:		
Depreciation charges	22,375	23,166
Gains/(losses) on investments	9,646	(23,996)
Dividends, interest and rents from investments	(8,315)	(7,506)
Decrease/(increase) in debtors	65,768	(11,889)
(Decrease)/increase in creditors	(57,084)	79,805
Pension movement	120,000	74,000
Net cash used in operating activities	(60,439)	(124,128)

20. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	239,783	304,750
Total	239,783	304,750

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**NOTES TO THE FINANCIAL STATEMENTS
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21. 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 2018. Contribution rates during the year were set at 31.6% by the employer and at rates varying from x% to x% by the employee depending on salary level. The main assumptions used by the actuary in the valuation are shown below:

Financial assumptions

Year ended	31 March 2018 % per annum	31 March 2017 % per annum
Pension increase rate	2.4	2.4
Salary increase rate	4.1	4.4
Discount rate	2.7	2.6

Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with CMI 2012 model assuming current rates of improvements have peaked and will converge to a long-term rate 1.25% p.a.

	Males	Females
Current pensioners	21.7	24.3
Future pensioners	24.7	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 shown below:

Period ended	Prospective Pensioners	Pensioners
31 March 2017	CMI 2012 model assuming current rates of improvement have peaked and will converge to a long term rate 1.25% p.a.	

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum 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.

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Analysis of the amounts recognised in the balance sheet

Year ended	31 March 2018 £(000)	31 March 2017 £(000)
Fair value of employer assets	5,859	5,765
Present value of funded liabilities	(5,954)	(6,074)
Net (liability)/asset	<u>(95)</u>	<u>(309)</u>

Reconciliation of defined benefit obligations

Year ended	31 March 2018 £(000)	31 March 2017 £(000)
Opening defined benefit obligation	6,074	4,652
Current service cost	225	209
Interest cost	159	164
Contribution by members	42	50
Actuarial losses/(gains)	(387)	1,162
Past service costs	5	-
Estimated benefits paid	(164)	(163)
Closing defined benefit obligation	<u>5,954</u>	<u>6,074</u>

Reconciliation of fair value of employer assets

Year ended	31 March 2018 £(000)	31 March 2017 £(000)
Opening fair value of employer assets	5,765	4,683
Interest income	150	164
Contribution by members	42	50
Contribution by the employer	119	135
Expected return on assets	(53)	896
Benefits paid	(164)	(163)
Closing fair value of employer assets	<u>5,859</u>	<u>5,765</u>

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Recognition in the Statement of Financial Activities (SOFA)

Year ended	31 March 2018 £(000)	31 March 2017 £(000)
Current service cost	225	209
Past service cost	5	-
Contributions by employer	(119)	(135)
Expected return on employer assets	9	-
Total	120	74

Analysis of projected amount to be charged to resources expended for the year to 31 March 2019

Year ended	£(000)	31 March 2019 % of pay
Projected current service cost	229	40.3
Interest income	(158)	(27.8)
Interest cost	163	28.6
	234	41.1

The employer's contribution for the year to 31 March 2019 is estimated at £118,000.

22. Operating lease commitments

At 31 March 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	24,859	24,189
Between 1 and 5 years	15,507	32,972
Total	40,366	57,161

23. 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 £32,078 (2017: £37,088) for legal services during the year. This fee includes all legal representation for parents in court.