

Registered number: SC079520

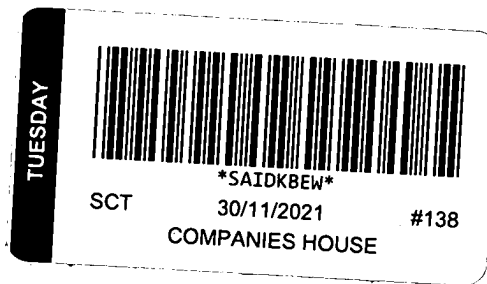
Charity Number: SC005754

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Scottish Charity Number: SC005754



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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Trustees

Mr Fergus Christie, MA, LLB, SSC, NP, KHS, Chair and Company Secretary (resigned 13 July 2020)
Mr Robert Hilton Swift CQSW MSc, Chair (from 26 January 2021)
Mr Innes Begg Ledingham, BCom A, Vice Chair
Ms Kirsty Fergusson, BA, FCCA, Treasurer
Mrs Anne Hampton, MA, Dip Soc Admin, Dip SW
Mrs Celia Borland, BA, Dip SW
Hon Lord Minginish (Roderick John MacLeod QC)

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, CEO
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 (resigned 13 July 2020)

Auditor

Geoghegans Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

Solicitors

Burness Paul
120 Bothwell Street
Glasgow
G2 7JL

Bankers

Bank of Scotland
43 Comely Bank
Edinburgh
EH4 1AF

Investment Managers

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

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

TRUSTEES' REPORT

For the Year Ended 31 March 2021

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 2020 to 31 March 2021. 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).

Objectives and activities

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.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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TRUSTEES' REPORT
For the Year Ended 31 March 2021 (continued)

Objectives and activities (continued)

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 services 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 carers for children (with additional needs mainly) whose permanent home is elsewhere.

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TRUSTEES' REPORT
For the Year Ended 31 March 2021 (continued)

Objectives and activities (continued)

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 published 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.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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TRUSTEES' REPORT

For the Year Ended 31 March 2021 (continued)

Objectives and activities (continued)

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 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 subsidising these placements.

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.
- Number of children placed in adoptive homes.
- Number of children placed in foster care placements.

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TRUSTEES' REPORT

For the Year Ended 31 March 2021 (continued)

Volunteers

We use volunteers in a few specific areas 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.

Achievements and performance

For all of us this year has been one of the most challenging we have ever faced. The impact of a pandemic that fundamentally changed our lives is still very much affecting how we live. As a voluntary agency, the impact on our services has been no less dramatic. From the beginning of this year we had closed our offices and hastily organised ourselves to work from home. We could not visit families or meet together and the world of 'Zoom', that we had a fleeting relationship with prior to this became our main vehicle to communicate with each other, with our families and with our colleagues in other agencies.

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TRUSTEES' REPORT

For the Year Ended 31 March 2021 (continued)

Achievements and performance (continued)

Every year, we make a special mention of our dedicated social workers and administrative staff but this year it is an especially fulsome tribute we make to them. There was a very small number of us who were competent and confident in working with e-technology at the beginning of this year and now virtual meeting and VPNs are a significant part of our working days. We think it is testament to all the staff that we have continued to work almost seamlessly, albeit differently, to respond to adoption and foster care enquiries, continue with preparation groups and supporting families with children in placement.

We have had an unprecedented level of interest shown by people wishing to adopt a child and this has meant a lot more work to try and respond to all of these in a timely way. Staff have stepped up to the plate and managed this increased workload without complaint.

At the height of the uncertainty about how our business would be affected the staff team and our Board of Trustees pulled together to provide the direction and service delivery needed to see us through this uncertainty. Even though we still face uncertain times we know that we can adapt as necessary and remain focussed on the potential our actions have to impact positively on the lives of children who have had adverse early life experiences.

We have maintained a settled staff team again this year, although we did say goodbye to Anne Macleod in our Aberdeen office. Anne was one of the original social workers who helped set up the new service there in 2013. Her enthusiasm and dedication to the work is being missed by her colleagues. We wish her every success in whatever she decides to do in the future.

With the lack of clarity about our income during this year we were again fortunate to have fundraisers like Dan and Karen Docwra from The Docwra Partnership. They managed to find money from funds that were specifically looking to disburse money to help the voluntary sector cope with the financial impact of the pandemic. We would not have finished the year in such good financial health without all the efforts they made on our behalf.

Thanks to Tara McGregor, our Head of Marketing we revamped and relaunched our website during this year and I am sure this has contributed to the rise in interest in our services.

We know that COVID-19 is still with us as this year ended and its impact is likely to affect us for some time to come but we also know that we have the people in terms of staff and Trustees to ensure we are still providing services that are relevant to the children and families who need them.

Our adoption support work does seem to be at a similar level year on year although last year's figures for support to families was down it has returned to the level of previous years. We have been unable to run Safebase Therapeutic Parenting courses this year but have used the time caused by this hiatus to review the programme with a view to making it an integral part of your after placement to all our families. This means that we have shortened the course from 4 days to 2 days but retained the Observed Family Assessment so that it is more accessible to families and reduces the costs of running it accordingly.

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TRUSTEES' REPORT

For the Year Ended 31 March 2021 (continued)

Achievements and performance (continued)

We know the year before that we had seen an upturn in enquiries and assessment of new adopters being undertaken and we hoped that this would be a sustained increase. This year has not only shown us that but we have had a steep increase during the time COVID-19 was disrupting our lives most. We started this year with a target of 28 placements for the year but in June 2020 we decided to review this down to 24 placements in order to be better placed to manage the potential fall in income we were anticipating. As it turned out, we ended the year only one placement short of our original target pre-pandemic.

Our Concurrent Planning project continues to make a valuable contribution to the cause of early permanence for the small numbers of very young children who are at high risk of not being able to remain with their birth parents. We continue to look for opportunities to develop this service with other local authorities.

We have seen a rise in the number of children placed in foster care this year that is as a result of a combination of children placed with our carers on a temporary basis while their permanent plan is decided upon and the placement of children with concurrent carer on a fostering basis. Neither of these kinds of placements are what our recruitment drive for foster carers has been focussed on (those willing to care for older children, 8 plus, on a long term/permanent basis) and we continue to find these the most difficult kinds of foster carers to recruit.

Financial Review

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 charitable company 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 charitable company post year end, and any going concern implications are noted in section 2.2 of accounting policies.

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TRUSTEES' REPORT
For the Year Ended 31 March 2021 (continued)

Financial review (continued)

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 charitable company could be exposed to and the appropriate level of reserves that should be maintained. At 31 March 2021 the charitable company had total reserves of £1,738,344 (2020: £1,437,961) of which £29,610 (2020: £40,822) were restricted and could only be used for the purposes given, and £606,198 (2020: £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 unrestricted reserves of £1,114,536 (2020: £989,244) which was in line with the reserves policy. We continue to ensure that we hold at least six months operating costs in reserve.

Material investments 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.

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.

Results for the year

As shown in the financial activities, there was net income for the year of £6,383 (2020: £6,690) before the actuarial movement on the pension scheme, comprising surpluses of £17,595 in unrestricted funds and £11,212 in restricted funds. Despite COVID-19 the results have been encouraging with adoption placement numbers increasing to 27 (2020 -24).

Fostering and respite fees have also declined to £355,861 (2020: £411,485). The employment of a part-time fundraiser continued during the year at a cost of £24,000 (2020: £22,200) and total grants and donations of £139,615 (2020: £341,850) were received. A further £77,846 of COVID-19 specific awards was also received in the year.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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TRUSTEES' REPORT

For the Year Ended 31 March 2021 (continued)

Financial review (continued)

Results for the year (continued)

The net movement in funds highlights a £300,383 increase compared to £246,640 in the previous year. This is primarily due to an actuarial gain from the defined benefit scheme of £294,000 (2020: £220,000). This results in total funds carried forward of £1,738,344 (2020: £1,437,961) of which £1,708,734 (2020: £1,397,139 restated) is unrestricted and £29,610 (2020: £40,822 restated) is restricted.

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 2021/22 numbers.

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.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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TRUSTEES' REPORT

For the Year Ended 31 March 2021 (continued)

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. The Board reviewed and updated our governance document and a new Memorandum and Articles of Association was adopted in this year.

Methods of appointment or election of Trustees

Members of the Board of Trustees ("the Board") are elected at the Annual General Meeting.

Organisational structure and decision-making policies

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 CEO.

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

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 directors give of their time freely and no director received remuneration or expenses for their services as Trustees in the year.

The remuneration of the staff is broadly in line with local authority remuneration, including pension arrangements.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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TRUSTEES' REPORT

For the Year Ended 31 March 2021 (continued)

Plans for future periods

We entered this financial year with some trepidation as we anticipated the challenging year we knew that would lie ahead. In financial term however, we are pleased with how we ended the year and so we look to the year coming with a sense of optimism. Our financial position is stable and we expect the trend of high interest in our services to continue. We are predicting a slight increase in placements of adopted children that will further strengthen our finances. There is no indication of a slowing in people coming to us to be assessed as adopters and this further increases our chance of another successful year ahead.

We will keep a close eye on the progress of children through the permanency process as there is some signs of fewer children being presented for adoption. We are also mindful of our need to build up our foster care service as a way of giving us more diversity in our income streams. The Board is also mindful of the high costs of renting office accommodation in Aberdeen and will be exploring the option of buying an office in Aberdeen that would be more economical to run.

In the longer term, we will celebrate our centenary year in 2022 and this gives us the opportunity to promote our work across Scotland and beyond to develop our strategy to manage our operations in the wake of the COVID-19 pandemic. The financial position of the Society remains strong.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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TRUSTEES' REPORT

For the Year Ended 31 March 2021 (continued)

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 2019 (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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 charitable company'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 charitable company's auditor is aware of that information.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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TRUSTEES' REPORT
For the Year Ended 31 March 2021 (continued)

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 order of the members of the Board of Trustees on 19 November 2021 and signed on their behalf by:



Kirsty Fergusson
Trustee

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

INDEPENDENT AUDITOR'S REPORT TO THE 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 2021 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 2021 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

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Report of the Board of Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Board of Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the trustees' (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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.

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

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 report in accordance with regulations made under that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- The nature of the industry, control environment and business performance of the charitable company
- The results of our enquires with management and Trustees about their own identification and assessment of the risks of irregularities
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the charitable company for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override and inappropriate income recognition.

We also obtain an understanding of the legal and regulatory environment in which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the charitable company's ability to operate. The key laws and regulations we considered in this context included the Statement of Recommended Practice: Accounting for Charities FRS 102 (2019), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Geoghegans

Paul Marshall (Senior Statutory Auditor)

19 November 2021

For and on behalf of

Geoghegans Chartered Accountants and Statutory Auditor

6 St Colme Street

Edinburgh

EH3 6AD

Geoghegans is eligible to act as an 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 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Donations and legacies	4	102,515	37,100	139,615	341,850
COVID-19 awards	5	77,846	-	77,846	-
Charitable activities	6	1,194,657	-	1,194,657	1,411,809
Investments	7	10,661	-	10,661	10,055
Other income	8	720	-	720	2,605
Total income		<u>1,386,399</u>	<u>37,100</u>	<u>1,423,499</u>	<u>1,766,319</u>
Expenditure on:					
Raising funds	9	27,428	-	27,428	25,681
Charitable activities	10	1,405,335	26,554	1,431,889	1,711,998
Total expenditure		<u>1,432,763</u>	<u>26,554</u>	<u>1,459,317</u>	<u>1,737,679</u>
Net income/(expenditure) before gains/(losses) on investments		(46,364)	10,546	(35,818)	28,640
Net gains/(losses) on investments	14	42,201	-	42,201	(21,950)
Net income/(expenditure)	11	(4,163)	10,546	6,383	6,690
Transfers between funds	17	21,758	(21,758)	-	-
Net income/(expenditure) before other recognised gains/(losses)		<u>17,595</u>	<u>(11,212)</u>	<u>6,383</u>	<u>6,690</u>
Other recognised gains/(losses)					
Actuarial gain on defined benefit pension scheme	21	294,000	-	294,000	220,000
Net movement in funds		<u>311,595</u>	<u>(11,212)</u>	<u>300,383</u>	<u>226,690</u>
Reconciliation of funds:					
Total funds brought forward – as restated	17	<u>1,397,139</u>	<u>40,822</u>	<u>1,437,961</u>	<u>1,211,271</u>
Total funds carried forward	17	<u>1,708,734</u>	<u>29,610</u>	<u>1,738,344</u>	<u>1,437,961</u>

All income and expenditure is derived from continuing operations.

The statement of financial activities includes all gains and losses recognised in the year.

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

Balance Sheet
as at 31 March 2021

	Note	2021 £	Restated 2020 £
Fixed assets			
Tangible assets	13	604,208	617,149
Investments	14	393,356	349,028
		<u>997,564</u>	<u>966,177</u>
Current assets			
Debtors	15	453,624	432,208
Cash at bank and in hand		<u>376,491</u>	<u>343,185</u>
		830,115	775,393
Creditors: amounts falling due within one year	16	<u>(77,335)</u>	<u>(107,609)</u>
Net current assets		<u>752,780</u>	<u>667,784</u>
Total assets less current liabilities		1,750,344	1,633,961
Defined benefit pension scheme liability	21	<u>(12,000)</u>	<u>(196,000)</u>
Total net assets		<u>1,738,344</u>	<u>1,437,961</u>
Charity funds			
Unrestricted funds	17,18	1,708,734	1,397,139
Restricted funds	17,18	<u>29,610</u>	<u>40,822</u>
Total funds	17,18	<u>1,738,344</u>	<u>1,437,961</u>

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 on 19 November 2021 and are signed on their behalf by:



Kirsty Fergusson
Trustee

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

STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

	Notes	2021 £	Restated 2020 £
Cash flows from operating activities			
Net cash used in operating activities	19	<u>33,656</u>	<u>(64,725)</u>
Cash flows from investing activities			
Investment income		10,661	10,055
Purchase of tangible assets		(8,884)	(15,244)
Proceeds from sale of investments		37,770	70,046
Purchase of investments		<u>(39,897)</u>	<u>(74,612)</u>
Net cash used in investing activities		<u>(350)</u>	<u>(9,755)</u>
Change in cash and cash equivalents in the year	20	33,306	(74,480)
Cash and cash equivalents at the beginning of the year	20	<u>343,185</u>	<u>417,665</u>
Cash and cash equivalents at the end of the year	20	<u><u>376,491</u></u>	<u><u>343,185</u></u>

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

Notes to the financial statements
For the year ended 31 March 2021

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

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention as modified to include the revaluation of investments. The financial statements are presented in sterling which is the functional currency of the charitable company and rounded to the nearest £.

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accountants (Scotland) Regulations 2006 (as amended), 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) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

St. Andrews Children's Society Limited meets the definition of a public benefit entity under FRS 102.

2.2 Prior year adjustment

The financial statements of the prior year have been adjusted to remove training income for future events to which the charitable company was not entitled in the prior year and to allocate expenditure appropriately to restricted funds. The first adjustment has the effect of reducing income and increasing creditor balances (deferred income). The second adjustment is a reallocation of expenditure from unrestricted to restricted funds, thereby resulting in an increase in unrestricted funds and a decrease in restricted funds. A reconciliation of the opening reserves position is set out overleaf.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

2 Accounting policies (continued)

2.2 Prior year adjustment (continued)

	Unrestricted £	Restricted £	Total £
Reserves as previously stated	948,921	262,350	1,211,271
Deferred training income	-	-	-
Mis-allocation of expenditure between funds	233,602	(233,602)	-
Reserves as restated at 1 April 2019	1,182,523	28,748	1,211,271
Reserves as previously stated	1,180,487	277,424	1,457,911
Deferred training income	(19,950)	-	(19,950)
Mis-allocation of expenditure between funds	236,602	(236,602)	-
Reserves as restated at 31 March 2020	1,397,139	40,822	1,437,961

2.3 Going concern

The trustees ordinarily review the charitable company'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 charitable company has seen an increase 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 charitable company has good relationships with both its funders and suppliers with no reason to believe this will not continue in current and future years. The charitable company 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.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

2 Accounting policies (continued)

2.4 Income

All incoming resources are included in the Statement of Financial Activities when the charitable company is entitled to the income, it is probable that the income will be received and the amount can be measured reliably.

Donations, legacies and similar incoming resources and grants for core funding are included in the period in which they are receivable, which is when the charitable company becomes entitled to the resource. Income from grants is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from charitable activities comprises fee income for adoption placements, fostering and respite care and is recognised in the year in which the placements take place, which is when the charitable company is entitled to the income. It also includes income for training events which are also recognised in the year in which the training is delivered, which is when the charitable company is entitled to the income.

Income from investments is included in the year in which it is receivable and when the amount can be measured reliably. Interest on funds held on deposit is included when receivable; this is normally upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividends have been declared and notification has been received of the dividend due.

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.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on raising funds includes costs associated with generating income for the charitable company and therefore income fundraising fees and investment manager's fees.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

2 Accounting policies (continued)

2.5 Expenditure (continue)

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Support costs are allocated between governance costs and other support costs. Governance costs comprise those costs involving the public accountability of the charitable and its compliance with regulations and good practice. They therefore include the cost of audit and professional advice for trustees. Other support costs relate to the administrative costs of running the charitable company and are allocated to charitable activities accordingly.

2.6 Fixed assets

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

2.7 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the charitable company is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

2 Accounting policies (continued)

2.8 Debtors

Debtors are measured at their recoverable amount and included when reasonable certainty exists over their receipt. Prepayments are valued at the amount prepaid.

2.9 Cash at bank

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

2.10 Creditors

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount due.

2.11 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at that settlement value.

2.12 Fund accounting

Unrestricted funds are those funds which can be used in accordance with the charitable objects at the discretion of trustees.

Designated funds are those unrestricted funds that trustees have decided, at their discretion, to set aside to use for a specific purpose.

Restricted funds are those which are to be used for the specified purposes as laid down by the donor.

2.13 Pensions

The charitable company is a member of the Lothian Pension Fund which is a multi-employer Local Government defined benefit pension scheme. The assets of the scheme are held separately from those of the company and pensions payable under the scheme are based on final pensionable salary. In accordance with the requirements of FRS 102 the operating costs of providing these benefits are recognised in the SOFA in the accounting year in which the benefits are earned by the employees and related financing and other costs are recognised in the year in which they arise.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

2 Accounting policies (continued)

2.14 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

3 Critical accounting estimates and areas of judgment

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their useful economic lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are assessed to determine whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

4	Donations and legacies	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
	Scottish Government	-	-	-	133,667
	Linkmaker	-	-	-	102,000
	Corra Foundation	40,500	-	40,500	40,500
	The Henry Smith Charity	-	-	-	26,250
	The Hunter Foundation	22,005	-	22,005	-
	The Robertson Trust	-	15,000	15,000	-
	Kiltwalk Edinburgh	11,688	-	11,688	-
	National Lottery	-	8,225	8,225	-
	Foundation Scotland	-	6,875	6,875	-
	James Weir Foundation	5,000	-	5,000	-
	Hugh Fraser Foundation	-	-	-	4,000
	Morrisons Foundation	-	-	-	3,000
	Allen Charitable Trust	-	3,000	3,000	-
	Other grants and donations < £3,000	23,322	4,000	27,322	32,433
		<u>102,515</u>	<u>37,100</u>	<u>139,615</u>	<u>341,850</u>

Income from donations and legacies of £139,615 (2020: £341,850) is made up of £102,515 (2020: £64,933) of unrestricted income and £37,100 (2020: £276,917) of restricted income.

5	COVID-19 awards	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
	Corra Foundation	10,125	-	10,125	-
	CJRS Claims	67,721	-	67,721	-
		<u>77,846</u>	<u>-</u>	<u>77,846</u>	<u>-</u>
6	Income from charitable activities	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Restated 2020 £
	Training	6,140	-	6,140	28,855
	Adoption fees	830,719	-	830,719	953,309
	Fostering and respite fees	357,798	-	357,798	429,645
		<u>1,194,657</u>	<u>-</u>	<u>1,194,657</u>	<u>1,411,809</u>

Income from charitable activities is unrestricted in both years.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

7	Income from investments	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
	Dividends	10,073	-	10,073	9,724
	Bank interest	588	-	588	331
		<u>10,661</u>	<u>-</u>	<u>10,661</u>	<u>10,055</u>

Income from investments is unrestricted in both years.

8	Other income	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
	Sundry income	<u>720</u>	<u>-</u>	<u>720</u>	<u>2,605</u>

Other income of £720 (2020: £2,605) is made up of £720 (2020: £2,540) of unrestricted income and £nil (2020: £65) of restricted income.

9	Expenditure on generating funds	Adoption Service £	Post Adoption £	Fostering and Respite £	Unrestricted 2021 £
	2020/21				
	Investment management fees	2,228	857	343	3,428
	Fundraiser's fees	<u>15,600</u>	<u>6,000</u>	<u>2,400</u>	<u>24,000</u>
		<u>17,828</u>	<u>6,857</u>	<u>2,743</u>	<u>27,428</u>
	2019/20				
	Investment management fees	2,263	870	348	3,481
	Fundraiser's fees	<u>14,430</u>	<u>5,550</u>	<u>2,220</u>	<u>22,200</u>
		<u>16,693</u>	<u>6,420</u>	<u>2,568</u>	<u>25,681</u>

Expenditure on generating funds is unrestricted in both years.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

10 Charitable expenditure – 2020/21	Adoption Service £	Post Adoption £	Fostering and Respite £	Total 2021 £
Direct costs				
Staff costs (note 12)	493,061	189,639	75,855	758,555
Pension finance costs (note 21)	3,250	1,250	500	5,000
Foster carers' fees	-	-	235,252	235,252
Foster carers' expenses	-	-	1,122	1,122
Adoption expenses	9,635	-	-	9,635
Legal costs re adoption	1,110	-	-	1,110
Respite care costs	-	-	2,026	2,026
Social workers' expenses	3,876	1,491	595	5,962
Training and supervision	4,497	1,730	691	6,918
Care Inspectorate registration	3,289	1,265	506	5,060
Subscriptions and publications	5,802	2,231	893	8,926
Advertising, publicity and PR	2,782	1,070	428	4,280
	<u>527,302</u>	<u>198,676</u>	<u>317,868</u>	<u>1,043,846</u>
Support costs				
Staff costs (note 12)	88,817	34,161	13,664	136,642
Pension past service cost (note 21)	68,250	26,250	10,500	105,000
Depreciation	13,964	5,371	2,148	21,483
Property costs	23,656	9,098	3,639	36,393
Office running costs	40,605	15,617	6,247	62,469
Professional fees	8,584	3,302	1,320	13,206
Bank interest and charges	206	79	32	317
Sundry costs	2,881	1,109	443	4,433
Governance costs – audit fees	5,265	2,025	810	8,100
	<u>252,228</u>	<u>97,012</u>	<u>38,803</u>	<u>388,043</u>
	<u>779,530</u>	<u>295,688</u>	<u>356,671</u>	<u>1,431,889</u>

Expenditure on charitable activities of £1,431,889 is made up of £1,405,335 of unrestricted expenditure and £26,554 of restricted expenditure.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

10 Charitable expenditure – 2019/20	Adoption Service £	Post Adoption £	Fostering and Respite £	Total 2020 £
Direct costs				
Staff costs (note 12)	534,558	170,679	68,272	773,509
Pension finance costs (note 21)	5,850	2,250	900	9,000
Foster carers' fees	-	-	270,757	270,757
Foster carers' expenses	-	-	838	838
Adoption expenses	17,416	-	-	17,416
Legal costs re adoption	9,000	-	-	9,000
Respite care costs	-	-	6,113	6,113
Social workers' expenses	27,240	10,477	4,191	41,908
Training and supervision	18,175	6,990	2,796	27,961
Care Inspectorate registration	3,654	1,406	562	5,622
Subscriptions and publications	75,362	28,986	11,594	115,942
Advertising, publicity and PR	2,700	1,039	416	4,155
	<u>693,955</u>	<u>221,827</u>	<u>366,439</u>	<u>1,282,221</u>
Support costs				
Staff costs (note 12)	90,145	34,672	13,869	138,686
Pension past service cost (note 21)	91,000	35,000	14,000	140,000
Depreciation	14,557	5,599	2,240	22,396
Property costs	30,565	11,756	4,702	47,023
Office running costs	40,451	15,558	6,223	62,232
Professional fees	10,138	3,900	1,560	15,598
Bank interest and charges	259	100	40	399
Sundry costs	(10,415)	6,029	2,412	(1,974)
Governance costs – audit fees	3,521	1,354	542	5,417
	<u>270,221</u>	<u>113,968</u>	<u>45,588</u>	<u>429,777</u>
	<u>964,176</u>	<u>335,795</u>	<u>412,027</u>	<u>1,711,998</u>

Expenditure on charitable activities of £1,711,998 is made up of £1,447,090 of unrestricted expenditure and £264,908 of restricted expenditure.

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

Notes to the financial statements (continued)
For the year ended 31 March 2021

11	Net income/(expenditure) is charged after stating:	2021	2020
		£	£
	Depreciation	21,483	22,396
	Operating lease rental	17,833	19,291
	Auditor's remuneration – audit	8,100	5,417
	Auditor's remuneration – non audit	-	4,680
		<u> </u>	<u> </u>

12	Staff costs	2021	2020
		£	£
	Wages and salaries	681,789	702,478
	Employers NIC	63,925	65,430
	Pension costs	149,483	144,287
		<u> </u>	<u> </u>
		<u>895,197</u>	<u>912,195</u>

The average number of employees during the year is as follows:

	2021	2020
	No.	No.
Social workers	15	17
Administration	7	4
Communications	1	1
Scottish Adoption Register	-	3
	<u> </u>	<u> </u>
	<u>23</u>	<u>25</u>

No employee has emoluments in excess of £60,000.

Key management personnel comprise the Trustees and the senior staff listed on page 1. The total employee benefits of key management personnel in the year are £346,609 (2020: £246,875).

No trustee (2020: no trustee) received any remuneration or reimbursement of expenses.

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Notes to the financial statements (continued)
For the year ended 31 March 2021

13	Tangible fixed assets	Heritable property	Office equipment	Computer equipment	Total
	Cost or valuation				
	At 1 April 2020	750,000	40,464	53,644	844,108
	Additions	-	-	8,884	8,884
	Disposals	-	(14,721)	(14,275)	(28,996)
	At 31 March 2021	750,000	25,743	48,253	823,996
	Depreciation				
	At 1 April 2020	150,000	35,094	41,865	226,959
	Charge for the year	15,000	1,546	4,937	21,483
	Released on disposal	-	(14,469)	(14,185)	(28,654)
	At 31 March 2021	165,000	22,171	32,617	219,788
	At 31 March 2021	585,000	3,572	15,636	604,208
	At 31 March 2020	600,000	5,370	11,779	617,149

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. The Bank of Scotland holds a standard security over this property.

14	Investments	2021 £	2020 £
	Market value		
	At 1 April	349,028	366,412
	Additions at cost	39,897	74,612
	Disposal proceeds	(37,770)	(70,046)
	Gains/(losses) on revaluation	42,201	(21,950)
	At 31 March	393,356	349,028
	Historic cost	351,129	347,948

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Notes to the financial statements (continued)
For the year ended 31 March 2021

15 Debtors	2021	2020
	£	£
Trade debtors	377,267	389,057
Other debtors	65,240	31,620
Prepayments and accrued income	11,117	11,531
	<u>453,624</u>	<u>432,208</u>
16 Creditors	2021	Restated 2020
	£	£
Trade creditors	228	1,743
Other taxation and social security	10,248	16,061
Other creditors	17,182	16,390
Accruals and deferred income	49,677	73,415
	<u>77,335</u>	<u>107,609</u>
Deferred income		
At 1 April	66,485	36,375
Income deferred in the year	17,500	66,845
Amounts released in the year	<u>(66,485)</u>	<u>(36,375)</u>
	<u>17,500</u>	<u>66,845</u>

Deferred income in the current year relates to a grant received from Garfield Weston. In the prior year, deferred income included both the Garfield Weston grant and training fees for future events.

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Notes to the financial statements (continued)
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17 Funds analysis	Restated At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	At 31 Mar 2021 £
2020/21						
Unrestricted funds						
General fund	989,355	1,386,399	(1,301,280)	(2,165)	-	1,072,309
Revaluation reserve	(111)	-	-	137	42,201	42,227
Pension fund	(196,000)	-	(110,000)	-	294,000	(12,000)
	<u>793,244</u>	<u>1,386,399</u>	<u>(1,411,280)</u>	<u>(2,028)</u>	<u>336,201</u>	<u>1,102,536</u>
Designated funds						
Property fund	600,000	-	(15,000)	-	-	585,000
Fixed asset fund	1,905	-	(6,483)	23,786	-	19,208
Adoption support	1,990	-	-	-	-	1,990
	<u>603,895</u>	<u>-</u>	<u>(21,483)</u>	<u>23,786</u>	<u>-</u>	<u>606,198</u>
Total unrestricted	<u>1,397,139</u>	<u>1,386,399</u>	<u>(1,432,763)</u>	<u>21,758</u>	<u>336,201</u>	<u>1,708,734</u>
Restricted						
Safebase training	19,640	1,875	(1,875)	-	-	19,640
IT equipment	-	13,225	-	(13,225)	-	-
Register	10,912	-	(2,279)	(8,633)	-	-
Concurrent care	9,970	-	-	-	-	9,970
Adoption support	200	20,000	(20,200)	-	-	-
Aberdeen fund	100	2,000	(2,200)	100	-	-
	<u>40,822</u>	<u>37,100</u>	<u>(26,554)</u>	<u>(21,758)</u>	<u>-</u>	<u>29,610</u>
Total restricted	<u>40,822</u>	<u>37,100</u>	<u>(26,554)</u>	<u>(21,758)</u>	<u>-</u>	<u>29,610</u>
Total funds	<u>1,437,961</u>	<u>1,423,499</u>	<u>(1,459,317)</u>	<u>-</u>	<u>336,201</u>	<u>1,738,344</u>

The transfer from the IT equipment fund to unrestricted funds represents the purchase of capital items using restricted funding. The assets are used for the general purposes of the charitable company and the net book value is held within a separate designated fund.

The transfer of £8,633 from the restricted Register fund to unrestricted funds has been made within the approval of the original funder. £8,633 represents the underspent on the project since August 2015.

A transfer of £100 from unrestricted funds to the restricted Aberdeen fund has been made to meet the deficit arising on the fund.

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Notes to the financial statements (continued)
For the year ended 31 March 2021

17 Funds analysis	Restated At 1 Apr 2019 £	Restated Income £	Restated Expenditure £	Transfers £	Gains/ (losses) £	Restated At 31 Mar 2020 £
2019/20						
Unrestricted funds						
General fund	790,789	1,489,337	(1,301,375)	10,604	-	989,355
Revaluation reserve	32,443	-	-	(10,604)	(21,950)	(111)
Pension fund	(267,000)	-	(149,000)	-	220,000	(196,000)
	<u>556,232</u>	<u>1,489,337</u>	<u>(1,450,375)</u>	<u>-</u>	<u>198,050</u>	<u>793,244</u>
Designated funds						
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>
Total unrestricted	<u>1,182,523</u>	<u>1,489,337</u>	<u>(1,472,771)</u>	<u>-</u>	<u>198,050</u>	<u>1,397,139</u>
Restricted						
Safebase training	15,640	4,000	-	-	-	19,640
Register	(162)	235,732	(224,658)	-	-	10,912
Concurrent care	9,970	26,500	(26,500)	-	-	9,970
Adoption support	2,500	10,750	(13,050)	-	-	200
Aberdeen fund	800	-	(700)	-	-	100
	<u>28,748</u>	<u>276,982</u>	<u>(264,908)</u>	<u>-</u>	<u>-</u>	<u>40,822</u>
Total restricted	<u>28,748</u>	<u>276,982</u>	<u>(264,908)</u>	<u>-</u>	<u>-</u>	<u>40,822</u>
Total funds	<u>1,211,271</u>	<u>1,766,319</u>	<u>(1,737,679)</u>	<u>-</u>	<u>198,050</u>	<u>1,437,961</u>

Designed funds

The Property Fund corresponds to the net book value of the heritable property. Annual depreciation of £15,000 is charged to this fund.

The Fixed Asset Fund corresponds to the net book value of non-property assets held by the charitable company. Depreciation is applied to this fund annually. The transfer represents an adjustment to correct the closing value of the fund.

The Adoption Fund relates to monies set aside by trustees to provide services not covered by the adoption fee.

ST. ANDREWS CHILDREN'S SOCIETY LIMITED
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Notes to the financial statements (continued)
For the year ended 31 March 2021

17 Fund analysis (continued)

Restricted funds

The Safebase training fund arises from Trust and Foundation grants received to fund the post adoption service.

The IT fund represents funding received for the purchase of computer equipment. As the purchase of the equipment discharges the restriction, the income has been transferred to the designated fixed asset fund to allow the net book value of all assets to be held together.

The Register fund represents funding from the Scottish Government to manage Scotland's Adoption 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 arises from awards that can only be used in relation to services in Aberdeen.

18 Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £
Fixed assets	-	604,208	-	604,208
Investments	393,356	-	-	393,356
Net current assets	721,180	1,990	29,610	752,780
Defined pension benefit liability	(12,000)	-	-	(12,000)
	<u>1,102,536</u>	<u>606,198</u>	<u>29,610</u>	<u>1,738,344</u>
	Restated Unrestricted Funds £	Designated Funds £	Restated Restricted Funds £	Total 2020 £
Fixed assets	15,244	601,905	-	617,149
Investments	349,028	-	-	349,028
Net current assets	624,972	1,990	40,822	667,784
Defined pension benefit liability	(196,000)	-	-	(196,000)
	<u>793,244</u>	<u>603,895</u>	<u>40,822</u>	<u>1,437,961</u>

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Notes to the financial statements (continued)
For the year ended 31 March 2021

19 Reconciliation of net movement in funds to net cash flow from operating activities

	2021	Restated 2020
	£	£
Net income for the year per the SOFA	6,383	6,690
Adjustments for:		
Depreciation charges	21,483	22,396
Losses/(gains) on fixed assets	342	-
(Gains)/losses on investments	(42,201)	21,950
Actuarial gains on defined benefit pension scheme	294,000	220,000
Investment income	(10,661)	(10,055)
(Increase)/decrease in debtors	(21,416)	(260,989)
(Decrease)/increase in creditors	(30,274)	6,283
(Decrease) in defined benefit pension liability	(184,000)	(71,000)
Net cash provided by/(used in) operating activities	33,656	(64,725)

20 Analysis of changes in net funds

	At April 2020	Cash flows	At 31 March 2021
	£	£	£
Borrowings	-	-	-
Cash at bank in hand	343,185	33,306	376,491
	<u>343,185</u>	<u>33,306</u>	<u>376,491</u>

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 of assets and liabilities of the scheme which relate to the company.

Contributions are determined by the fund's qualified actuary on the basis of triennial valuations using the projected unit method. The most recent triennial valuation was at 31 March 2020 by Hymans Robertson independent actuaries and this has been updated to reflect conditions at the balance sheet date, 31 March 2021.

Contribution rates during the year were set at 23% 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 overleaf.

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Notes to the financial statements (continued)
For the year ended 31 March 2021

21 Defined benefit pension scheme (continued)

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

	At 31 March 2021 % p.a.	At 31 March 2020 % p.a.
Discount rate	2.0	2.3
Salary increase rate	3.4	3.5
Pension increase rate	<u>2.9</u>	<u>1.9</u>
	Males	Females
Mortality rates (in years):		
Current pensioners	20.5	23.3
Future pensioners	<u>21.9</u>	<u>25.2</u>

Historic mortality

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

Period ended	Prospective Pensioners	Pensioners
31 March 2021	CMI 2016 model assuming an allowance for smoothing or recent mortality experience and long term rate of 1.25%	

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.

Analysis of the amounts recognised in the balance sheet

	2021 £(000)	2020 £(000)
Fair value of employer assets	7,546	6,246
Present value of funded liabilities	<u>(7,558)</u>	<u>(6,442)</u>
Net (liability)	<u>(12)</u>	<u>(196)</u>

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Notes to the financial statements (continued)
For the year ended 31 March 2021

21 Defined benefit pension scheme (continued)

Reconciliation of defined benefit obligations

	At 31 March 2021 £(000)	At 31 March 2020 £(000)
Opening defined benefit obligation	6,442	6,719
Current service cost	256	278
Interest cost	149	164
Contribution by members	47	48
Actuarial gains/(losses)	1,279	(603)
Other experience	(432)	(29)
Estimated benefits paid	(183)	(135)
Closing defined benefit obligation	7,558	6,442

Reconciliation of fair value of employer assets

	At 31 March 2021 £(000)	At 31 March 2020 £(000)
Opening fair value of employer assets	6,246	6,452
Interest income	144	155
Contribution by members	47	48
Contribution by the employer	151	138
Expected return on assets	1,141	(412)
Benefits paid	(183)	(135)
Closing fair value of employer assets	7,546	6,246

Recognition in the Statement of Financial Activity (SOFA)

	At 31 March 2021 £(000)	At 31 March 2020 £(000)
Current service cost	256	278
Contribution by employer	(151)	(138)
Expected return on employer assets	5	9
	110	149

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Notes to the financial statements (continued)
For the year ended 31 March 2021

21 Defined benefit pension scheme (continued)

Analysis of projected amount to be charged to resources expended for the year to 31 March 2022

	£000	March 2021 % of pay
Projected current service cost	317	48.5
Interest income	(151)	(23.2)
Interest cost	153	23.5
	<u>319</u>	<u>48.8</u>

The employer's contribution for the year to 31 March 2022 is estimated at £143,000.

22 Operating lease commitments

At 31 March 2021 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	17,833	14,431
Between 1 and 5 years	-	4,860
	<u>17,833</u>	<u>19,291</u>

23 Related party transactions

Mr Fergus Christie, Trustee until 3 July 2020, is a partner in BCKM who act as solicitors for the company. The firm received fees of £750 (2020: £9,000) for legal services during the year.