

The Cottage Family Centre
Financial Statements
for the period from 28 July 2004 (date of incorporation)
to 31 March 2005

Company Registration Number: SC271291



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PATERSON BOYD & Co.
Chartered Accountants

The Cottage Family Centre
Financial Statements
for the period ended 31 March 2005

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The Cottage Family Centre
Charity Information
for the period ended 31 March 2005

| | |
|--------------------------------|---|
| Scottish Charity Number | SC014271 |
| Registered Office | 29-31 Cawdor Crescent Kirkcaldy Fife KY2 6LH |
| Chairperson | Marion Henstock |
| Treasurer | John Anderson |
| Vice Treasurer | Leanne Goddard |
| Directors | Wendy McAdam Sheila Brewer Laura Williamson Lyndsay Stevenson Jacqueline McGlinchey |
| Company Secretary | Pauline Buchan |
| Bankers | Bank of Scotland Po Box 10 Kirkcaldy Fife KY1 3PA |
| Solicitors | Gibson & Spears, Dow & Son 9 East Fergus Place Kirkcaldy Fife KY1 1XU |
| Auditors | Paterson Boyd & Co. Chartered Accountants & Registered Auditors 18 North Street Glenrothes Fife KY7 5NA |



The Cottage Family Centre
Directors' Report
for the period ended 31 March 2005

General

The Cottage Family Centre is a company limited by guarantee, registered in Scotland. It is recognised by the Inland Revenue as a Scottish Charity (number SC014271). The company was incorporated on the 28 July 2004. The registered office is at 29-31 Cawdor Crescent, Kirkcaldy, Fife KY2 6LH.

Objects

The Cottage Family Centre aims to promote and support families with pre-school children living in the West Kirkcaldy area.

Organisational Structure

A Board of Directors made up of parents using the service, volunteers from other walks of life and advisors from Health and Education are responsible for the overall welfare of the organisation. The Project Manager is responsible for the daily running of the centre and is supported by 2 full time family workers, 3 part time children's workers and 1 full time administration worker.

Financial position

The statement of financial activities shows a net surplus for the period of £192,895 and the balance sheet at 31 March 2005 shows total funds of £305,510. The surplus in the statement of financial activities is mainly due to capital grants of £242,829 being recognised at the year end. These grants were for the construction of the new premises.

The movements on fixed assets are set out in note 8 to the financial statements.

Risk assessment

The directors are in the process of establishing systems to identify and mitigate the major risks to which the charity is exposed.

Investments

The directors have considered the most appropriate policy for investing funds and have found that maintaining the majority of the funds in an investment account to be the most appropriate. The return on this investment in the year amounted to £3,590 and the directors consider this to be adequate.

Development, activities and achievements

This has been a busy year for staff and parents due to the new building project. The move to temporary premises (2 two bedroom flats) resulted in a reduced programme of activities. However we were still able to provide a newsletter group in partnership with W.E.A and Adult Basic Education class with a tutor from Community Services. Groups involving parent and child were well attended. Adventures in Foodland, a resource pack from Health Scotland focused on making food from an early age. Weekly coffee sessions, Parent/Toddler group and Respite completed the programme for the year. With ongoing new referrals, the family workers were kept busy providing information and support on a variety of issues.

The Cottage Family Centre
Directors' Report
for the period ended 31 March 2005

Statement of Directors' Responsibilities


Legislation requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the directors are required to: -

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that the financial statements comply with the above requirements.

On behalf of the board of directors:


John Anderson
Treasurer

Date: 29 September 2005

The Cottage Family Centre
Independent Auditors' Report to the members of The Cottage Family Centre
for the period ended 31 March 2005

We have audited the financial statements of The Cottage Family Centre for the period ended 31 March 2005 which comprise the statement of financial activities, the income and expenditure account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historic cost convention and the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members 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 charity and the charity's members for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charity had not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of opinion

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

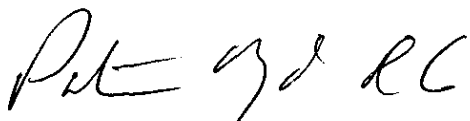
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other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



The Cottage Family Centre
Independent Auditors' Report to the members of The Cottage Family Centre
for the period ended 31 March 2005

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2005 and of its incoming resources and application of resources, including its income and expenditure for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Paterson Boyd & Co.
Chartered Accountants
& Registered Auditors
18 North Street
Glenrothes
Fife
KY7 5NA

Date: 29 September 2005

The Cottage Family Centre
Statement of Financial Activities
for the period ended 31 March 2005

| | Notes | Unrestricted Funds General £ | Designated £ | Restricted Funds £ | Total 2005 £ |
|--|-------|------------------------------------|-----------------|--------------------------|--------------------|
| Incoming Resources | | | | | |
| Donations & similar income | | 935 | - | - | 935 |
| Grants received | | 45,561 | - | 242,829 | 288,390 |
| Investment income | | 3,590 | - | - | 3,590 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | 2 | <u>50,086</u> | <u>-</u> | <u>242,829</u> | <u>292,915</u> |
| Resources Expended | | | | | |
| Direct charitable expenditure | 3 | 70,489 | - | - | 70,489 |
| Management & administration | 4 | 15,178 | - | - | 15,178 |
| Grant funding returned | 5 | - | - | 14,353 | 14,353 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | | <u>85,667</u> | <u>-</u> | <u>14,353</u> | <u>100,020</u> |
| Net Incoming/(Outgoing) Resources | | (35,581) | - | 228,476 | 192,895 |
| Funds brought forward at 28 July 2004 from unincorporated charity | | 36,144 | 9,445 | 67,026 | 112,615 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Funds carried forward at 31 March 2005 | | <u>563</u> | <u>9,445</u> | <u>295,502</u> | <u>305,510</u> |

The Charity has neither acquired or commenced any new activities during the period nor discontinued any operations and has no recognised gains or losses other than the results as shown above.

The Cottage Family Centre
Income and Expenditure Account
for the period ended 31 March 2005

| | Notes | 2005 £ |
|---------------------------------|--------------|------------------|
| Income | | |
| Income | | 289,325 |
| Bank deposit interest | | 3,590 |
| | | <hr/> |
| | 2 | <u>292,915</u> |
| Expenditure | | |
| Direct charitable expenditure | 3 | 70,489 |
| Management & administration | 4 | 15,178 |
| Grant funding returned | 5 | 14,353 |
| | | <hr/> |
| | | <u>100,020</u> |
| Surplus for the year | 11 | <u>192,895</u> |

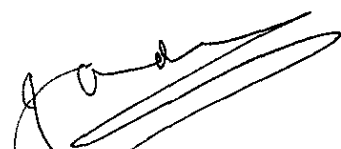
The income and expenditure account is derived from the statement of financial activities on page 5 which, together with the notes to the accounts on pages 8 to 13 provide full information on the movements during the year on all funds of the charity.

The Cottage Family Centre**Balance Sheet****as at 31 March 2005**

| | Notes | £ | 2005 £ |
|---|-------|----------------|----------------|
| Fixed Assets | | | |
| Tangible assets | 8 | | 208,407 |
| Current Assets | | | |
| Debtors | 9 | 18 | |
| Cash at bank and in hand | | 192,083 | |
| | | <u>192,101</u> | |
| Creditors: amounts falling due within one year | 10 | (94,998) | |
| Net Current Assets/(Liabilities) | | | <u>97,103</u> |
| Total Assets Less Current Liabilities | | | <u>305,510</u> |
| Net Assets | | | <u>305,510</u> |
| Represented by:- | | | |
| Unrestricted funds | | | |
| Designated Funds | 11 | 9,445 | |
| General Funds | 11 | 563 | |
| | | <u>10,008</u> | |
| Restricted Funds | | | <u>295,502</u> |
| Total funds | 11 | | <u>305,510</u> |

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 29 September 2005 and signed on its behalf by:



John Anderson
Treasurer



The Cottage Family Centre
Notes to the Financial Statements
for the period ended 31 March 2005

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and the Companies Act 1985.

In preparing the financial statements the charity has followed best practice as laid down in the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in October 2000.

Income

Revenue and capital grants are included in income when these are receivable, except as follows:

- When grant making bodies specify that the grant given must be used in future accounting periods, the income is deferred until that period.
- When grant making bodies impose conditions that have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included until the pre-conditions for use have been met.

Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

- | | |
|----------------------|---|
| - land and buildings | - straight line over the life of the building |
|----------------------|---|

Depreciation of the building will be applied when the full cost of construction has been agreed by the charity.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Pensions

The charity participates in a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.



The Cottage Family Centre
Notes to the Financial Statements
for the period ended 31 March 2005

1. Accounting Policies (continued)

Funds

Details of funds are provided in note 11 to the accounts.

Funds Accounting

Restricted Funds – These are 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.

Designated Funds – These are funds set aside by the board of directors out of unrestricted charitable funds for specific future purposes or projects.

Unrestricted Funds – These are other charitable funds that can be used in accordance with the charitable objects of the charity at the discretion of the board of directors

2. Incoming Resources

| | Unrestricted Funds | | Restricted Funds | Total 2005 |
|--------------------------|---------------------------|-------------------|-------------------------|-------------------|
| | General | Designated | | |
| | £ | £ | £ | £ |
| Donations | 935 | - | - | 935 |
| Grants Received | | | | |
| Tudor Trust | - | - | 35,000 | 35,000 |
| Comic Relief | - | - | 20,000 | 20,000 |
| Robertson Trust | - | - | 40,000 | 40,000 |
| Children in Need | - | - | 18,000 | 18,000 |
| Fife Council | 45,561 | - | 23,131 | 68,692 |
| Big Lottery | - | - | 106,698 | 106,698 |
| Investment Income | | | | |
| Bank Interest | 3,590 | - | - | 3,590 |
| | <u>50,086</u> | <u>-</u> | <u>242,829</u> | <u>292,915</u> |

The Cottage Family Centre
Notes to the Financial Statements
for the period ended 31 March 2005

3. Direct Charitable Expenditure

| | Unrestricted Funds | | Restricted Funds | Total 2005 |
|--------------------|---------------------------|-------------------|-------------------------|-------------------|
| | General | Designated | | |
| | £ | £ | £ | £ |
| Wages and salaries | 54,596 | - | - | 54,596 |
| Social security | 4,798 | - | - | 4,798 |
| Pension costs | 3,881 | - | - | 3,881 |
| Staff training | 1,634 | - | - | 1,634 |
| Rates | 814 | - | - | 814 |
| Insurances | 936 | - | - | 936 |
| Heat and light | 424 | - | - | 424 |
| Cleaning | 1,020 | - | - | 1,020 |
| Repairs & renewals | 476 | - | - | 476 |
| Coach hire | 550 | - | - | 550 |
| Travel expenses | 533 | - | - | 533 |
| Provisions | 426 | - | - | 426 |
| Children's outings | 401 | - | - | 401 |
| | <u>70,489</u> | <u>-</u> | <u>-</u> | <u>70,489</u> |

4. Management & Administration

| | Unrestricted Funds | | Restricted Funds | Total 2005 |
|--------------------------------|---------------------------|-------------------|-------------------------|-------------------|
| | General | Designated | | |
| | £ | £ | £ | £ |
| Wages & salaries | 10,328 | - | - | 10,328 |
| Social security | 949 | - | - | 949 |
| Pension costs | 256 | - | - | 256 |
| Printing, postage & stationery | 717 | - | - | 717 |
| Telephone | 933 | - | - | 933 |
| Legal & professional fees | 345 | - | - | 345 |
| Accountancy fees | 475 | - | - | 475 |
| Audit fees | 1,175 | - | - | 1,175 |
| | <u>15,178</u> | <u>-</u> | <u>-</u> | <u>15,178</u> |

The Cottage Family Centre
Notes to the Financial Statements
for the period ended 31 March 2005

5. Grant Funding Returned

A Coalfield Regeneration Grant of £18,205 was received to be used towards the cost of building the premises. The grant was conditional in that it was to be used within a timescale stipulated by the Coalfield Regeneration Trust. Due to the start of construction being delayed, the grant was not used within the required timescale and £14,353 was subsequently recalled by the Coalfield Regeneration Trust.

6. Staff and Related Costs

| | 2005 |
|-----------------------|----------------------|
| | £ |
| Salaries | 64,924 |
| Social security costs | 5,747 |
| Pension Costs | 4,137 |
| | <hr/> |
| | <u>74,808</u> |

The total number of whole-time equivalent employees, by function was:

| | Number |
|----------------|-----------------|
| Support | 5 |
| Administration | 1 |
| | <hr/> |
| | <u>6</u> |

No employees earned in excess of £50,000 per annum. The directors received no remuneration or reimbursement of expenses in the year.

In the year under review the insurance policy premium paid includes insurance to indemnify the voluntary directors against the consequences of any neglect or default on their part.

7. Pension Costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £4,137.

The Cottage Family Centre
Notes to the Financial Statements
for the period ended 31 March 2005

8. Tangible fixed assets

| | Buildings £ | Totals £ |
|------------------------|-----------------------|--------------------|
| Costs | | |
| At 28 July 2004 | - | - |
| Additions | 208,407 | 208,407 |
| Disposals | - | - |
| | <hr/> | <hr/> |
| At 31 March 2005 | <u>208,407</u> | <u>208,407</u> |
| Depreciation | | |
| At 28 July 2004 | - | - |
| Charge for the year | - | - |
| | <hr/> | <hr/> |
| At 31 March 2005 | <u>-</u> | <u>-</u> |
| Net book values | | |
| At 31 March 2005 | <u>208,407</u> | <u>208,407</u> |
| At 28 July 2004 | <u>-</u> | <u>-</u> |
| Security | | |

A standard security over the building is held by The National Lotteries Charities Board, 1 Plough Lane, London EC4A 1DE.

| | |
|---|------------------|
| 9. Debtors | 2005 £ |
| Pre-paid insurance | 18 |
| | <hr/> |
| | <u>18</u> |
| 10. Creditors: amounts falling due within one year | 2005 £ |
| Accruals and deferred income | 94,998 |
| | <hr/> |
| | <u>94,998</u> |

The Cottage Family Centre
Notes to the Financial Statements
for the period ended 31 March 2005

11. Funds

| | Unrestricted Funds | | Restricted Funds | Total 2005 |
|-------------------------------|---------------------------|-------------------|-------------------------|-------------------|
| | General | Designated | | |
| | £ | £ | £ | £ |
| Balance at 28 July 2004 | 36,144 | 9,445 | 67,026 | 112,615 |
| from unincorporated charity | | | | |
| Net movement in funds in year | (35,581) | - | 228,476 | 192,895 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Balance at 31 March 2005 | <u>563</u> | <u>9,445</u> | <u>295,502</u> | <u>305,510</u> |
| Represented by: | | | | |
| Tangible fixed assets | - | - | 208,407 | 208,407 |
| Net current assets | 563 | 9,445 | 87,095 | 97,103 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | <u>563</u> | <u>9,445</u> | <u>295,502</u> | <u>305,510</u> |

12. Related party transactions

For the whole of the financial period the charity was under the control of its directors, who are detailed on page 1 of these financial statements.

During the period under review, travel expenses totalling of £164 were paid to a director.

13. Company limited by guarantee

The company was formed as a company limited by guarantee without share capital. It remains a company limited by guarantee and continues without share capital. Each member of the company has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the company being placed in liquidation. At the balance sheet date there were 9 members.

14. Leasing Commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:-

| | 2005 |
|--------------------------------|--------------|
| | £ |
| Land & buildings- expiry date: | |
| Greater than five years | <u>2,500</u> |
| Other expiry date | |
| Between 1 and 5 years | <u>376</u> |