

Company Registration Number: SC271291

The Cottage Family Centre

(A company limited by guarantee)

Directors' Report and Unaudited Financial Statements

for the year ended 31 March 2012

Charity Number: SC014271

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PATERSON BOYD & Co.
Chartered Accountants

The Cottage Family Centre
Financial Statements
for the year ended 31 March 2012

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The Cottage Family Centre
Charity Information
for the year ended 31 March 2012

| | | |
|-----------------------------|---|------------------------------|
| Charity Number | SC014271 | |
| Company Number | SC271291 | |
| Registered Office | 29-31 Cawdor Crescent Kirkcaldy Fife KY2 6LH | |
| Chairperson | Marilyn Livingstone | |
| Treasurer | John Anderson | (resigned 03 May 2012) |
| Directors | Robert Clark | (appointed 21 February 2012) |
| | Nicola Watt | (resigned 02 November 2011) |
| | Ashley Morris | |
| | Wilma Brown | (appointed 21 February 2012) |
| | Ann Mitchell Millar | (appointed 21 February 2012) |
| Secretary | Carol Ann Murray | (appointed 22 February 2012) |
| | Lee-ann Lamont | (resigned 03 May 2012) |
| Bankers | Margaret Ednie | (appointed 21 February 2012) |
| | Bank of Scotland | |
| | Po Box 10 | |
| | Kirkcaldy | |
| | Fife | |
| Solicitors | KY1 3PA | |
| | Gibson & Spears, Dow & Son | |
| | 9 East Fergus Place | |
| | Kirkcaldy | |
| | Fife | |
| Independent Examiner | KY1 1XU | |
| | Neil P Robson | |
| | Paterson Boyd & Co | |
| | Chartered Accountants | |
| | 18 North Street | |
| | Glenrothes | |
| | Fife | |
| | KY7 5NA | |

**The Cottage Family Centre
Directors' Report
for the year ended 31 March 2012**

The directors are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31 March 2012.

Governing Document

The Cottage Family Centre is a Scottish registered charity (Scottish charity number SC014271) with legal status as a company limited by guarantee with its registered office at 29-31 Cawdor Crescent, Kirkcaldy, Fife, KY2 6LH.

The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the charity being wound up, the members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Management Committee

The committee candidates are members of the community and are elected at the Annual General Meeting. The charity endeavors to recruit members from the families who use the facilities provided.

Trustee Induction and Training

A development programme for the Trustees has been organized and will be delivered in November 2012.

Objects

The focus of the work on the Centre is to provide a range of support to those families and individuals within family units who are vulnerable to social exclusion as a result of factors such as poverty, unemployment, poor housing, relationship breakdown, drug and alcohol problems and health related issues.

Organisational Structure

The Board of Directors responsible for the overall welfare of the organization is made up of parents using the service, volunteers from other walks of life.

A service manager is responsible for the daily running of the centre. The service manager is supported by 1 part-time senior children's worker and 2 part-time children's workers, 1 part-time children's assistant, 1 part-time senior family worker and 2 part-time family workers together with 1 part-time receptionist and 1 part-time domestic worker. In addition, within the Family Ties Section of the service there is 1 part-time senior worker (counselor) and 1 part-time children's therapeutic worker.

Financial Position

The statement of financial activities shows a net surplus for the year of £19,324 (2011: deficit of £25,260) and the balance sheet at 31 March 2012 shows total funds of £643,979 (2011: £624,655).

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

Achievements, Performance and Future Plans

This year the directors have produced separate reports into each of the activities undertaken by the charity in order to give the relevant reader fuller insight into the operations and to assist with future funding applications by the charity. These reports are available in addition to this annual report.

During the year The Cottage Family Centre merged with Family Ties, this merger has been sanctioned by Companies House and The Office of Scottish Charity Regulator (OSCR). The funds of the charity have been transferred as a donation of £28,833 on 31 January 2012.

Risk Assessment

The directors are continuing to update systems to identify and mitigate the major risks to which the charity is exposed.

**The Cottage Family Centre
Directors' Report
for the year ended 31 March 2012**

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.

Principle Funding Source

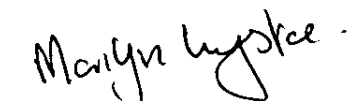
The principle funding sources were Fife Council, Fairer Scotland Fund, Big Lottery Fund, Jennifer Brown Research Fund and fundraising income.

Accountants

Paterson Boyd & Co were re-appointed as the charitable company's accountants during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice in Accounting and Reporting Charities (issued March 2005) and the special provision of Part VII of the Companies Act 2006 relating to small entities and also in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended).

Signed on behalf of the board:



**Marilyn Livingstone
Director**

Date: 28 November 2012

The Cottage Family Centre
Independent Examiner's report to the members on the unaudited financial statements of
The Cottage Family Centre

I report on the financial statements for the year ended 31 March 2012 set out on pages 4 to 13. The financial statements have been prepared under the historic cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and independent examiner

The charity's directors are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulation 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

a) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



N P Robson C.A.
Paterson Boyd & Co.
Chartered Accountants
18 North Street
Glenrothes
Fife
KY7 5NA

Date: 28 November 2012

The Cottage Family Centre
Statement of Financial Activities
for the year ended 31 March 2012

| | Notes | Unrestricted Funds | | Restricted Funds | | Total | Total |
|---|-------|--------------------|------------|------------------|---------------|----------------|----------------|
| | | General | Designated | General | Family Ties | 2012 | 2011 |
| | | £ | £ | £ | £ | £ | £ |
| Incoming resources | | | | | | | |
| Incoming resources from generated funds: | | | | | | | |
| <i>Voluntary income</i> | | | | | | | |
| Donations | | 3,344 | - | - | 28,833 | 32,177 | 2,166 |
| <i>Activities for generating funds</i> | | | | | | | |
| Fundraising income | | 13,972 | - | - | - | 13,972 | 15,542 |
| Other incoming resources | | 4,641 | - | - | - | 4,641 | 1,520 |
| Incoming resources from charitable activities: | 3 | 117,500 | - | 77,251 | 10,050 | 204,801 | 183,104 |
| Total incoming resources | | <u>139,457</u> | <u>-</u> | <u>77,251</u> | <u>38,883</u> | <u>255,591</u> | <u>202,332</u> |
| Resources Expended | | | | | | | |
| Charitable activities | 4 | 119,190 | - | 77,394 | 13,791 | 210,375 | 220,563 |
| Governance costs | 5 | 3,468 | - | 22,168 | 256 | 25,892 | 7,029 |
| Total resources expended | | <u>122,658</u> | <u>-</u> | <u>99,562</u> | <u>14,047</u> | <u>236,267</u> | <u>227,592</u> |
| Net incoming/(outgoing) resources for the year | | 16,799 | - | (22,311) | 24,836 | 19,324 | (25,260) |
| Transfers | | 76,210 | (9,445) | (64,582) | (2,183) | - | - |
| Funds brought forward at 1 April 2011 | 11 | (36,280) | 9,445 | 651,490 | - | 624,655 | 649,915 |
| Funds carried forward at 31 March 2012 | 11 | <u>56,729</u> | <u>-</u> | <u>564,597</u> | <u>22,653</u> | <u>643,979</u> | <u>624,655</u> |

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

The Cottage Family Centre
Income and Expenditure Account
for the year ended 31 March 2012

| | Notes | 2012 £ | 2011 £ |
|--|-------|----------------|------------------|
| Income | | | |
| Income | | <u>255,591</u> | <u>202,332</u> |
| Charitable Expenditure | | | |
| Charitable activities | 4 | 210,375 | 220,563 |
| Governance | 5 | 25,892 | 7,029 |
| | | <u>236,267</u> | <u>227,592</u> |
| Net outgoing resources for the year | | <u>19,324</u> | <u>(25,260)</u> |

The income and expenditure account is derived from the statement of financial activities on page 4 which, together with the notes to the financial statements 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 2012

| | Notes | 2012 | 2011 |
|---|-------|----------------|----------------|
| | | £ | £ |
| Fixed Assets | | | |
| Tangible assets | 8 | 589,722 | 627,051 |
| Current Assets | | | |
| Debtors | 9 | 16,427 | 5,734 |
| Cash at bank and in hand | | 41,421 | 10,034 |
| | | <hr/> | <hr/> |
| | | 57,848 | 15,768 |
| Creditors: amounts falling due within one year | 10 | (3,591) | (18,164) |
| | | <hr/> | <hr/> |
| Net Current Assets/(Liabilities) | | 54,257 | (2,396) |
| | | <hr/> | <hr/> |
| Total Assets Less Current Liabilities | | <u>643,979</u> | <u>624,655</u> |
| Represented by:- | | | |
| Unrestricted funds | | | |
| Designated Funds | 11 | - | 9,445 |
| General Funds | 11 | 56,729 | (36,280) |
| | | <hr/> | <hr/> |
| | | 56,729 | (26,835) |
| Restricted Funds | | | |
| Family Ties | | 22,653 | - |
| Building reserve | | 564,597 | 595,855 |
| Other restricted funds | | - | 55,635 |
| | | <hr/> | <hr/> |
| | | 587,250 | 651,490 |
| | | <hr/> | <hr/> |
| Total funds | 11 | <u>643,979</u> | <u>624,655</u> |

The directors' statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet.

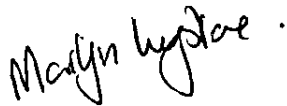
The Cottage Family Centre
Balance Sheet (continued)
Directors' statements required by Section 249B(4)
for the year ended 31 March 2012

In approving these financial statements as directors of the company we hereby confirm:-

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 477(2) of the Companies Act 2006;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 31 March 2012 and
- (c) that we acknowledge our responsibilities for:
 - (1) ensuring that the company keeps accounting records which comply with Section 386, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the year then ended in accordance with the requirements of Section 393 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board on 28 November 2012 and signed on its behalf by



Marilyn Livingstone
Director

The notes on pages 8 to 13 form an integral part of these financial statements.

The Cottage Family Centre
Notes to the Financial Statements
for the year ended 31 March 2012

1. Accounting Policies

Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to small companies, the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standards for Smaller Entities (effective April 2008) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued March 2005.

Incoming resources

Income from donations and grants, including capital grants are included in incoming resources when these are receivable, except when donors specify that the donations or grants must be used in future accounting periods, or conditions are imposed, which have to be fulfilled before the charity is entitled to use such income.

Interest receivable

Interest receivable is included when receivable by the charity.

Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered, as the charity is not VAT registered.

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:-

| | |
|-----------------------|---|
| Buildings | - straight line over the life of the lease (25 years) |
| Computer equipment | - straight line over 3 years |
| Fixtures and fittings | - 20% reducing balance |

Fund accounting

Funds held by the charity are either:-

- unrestricted general funds, which can be used in accordance with the charitable objectives at the discretion of the directors, or
- designated funds, which are earmarked for particular purposes from general funds by the board of directors, or
- restricted funds, which are funds that can only be used for a particular restricted purpose within the objectives of the charity and mainly represents the building from which the charity operates.

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 Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

The Cottage Family Centre
Notes to the Financial Statements
for the year ended 31 March 2012

2. Directors and Employees

No employees earned in excess of £60,000 per annum. The directors received no remuneration 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.

3. Incoming resources from charitable activities

| | Notes | Unrestricted Funds | | Restricted Funds | | Total 2012 | Total 2011 |
|------------------------------|-------|--------------------|------------|------------------|---------------|----------------|----------------|
| | | General | Designated | General | Family Ties | | |
| | | £ | £ | £ | £ | £ | £ |
| Grants Received | | | | | | | |
| Fife Council | | 115,500 | - | 2,292 | - | 117,792 | 129,339 |
| Fairer Scotland Fund | | - | - | 45,000 | - | 45,000 | 42,000 |
| STV | | 2,000 | - | - | - | 2,000 | - |
| Big Lottery Fund | | - | - | - | 10,050 | 10,050 | - |
| Jennifer Brown Research Fund | | - | - | 29,959 | - | 29,959 | 9,990 |
| Cash for Kids | | - | - | - | - | - | 1,000 |
| Exxon | | - | - | - | - | - | 775 |
| | | <u>117,500</u> | <u>-</u> | <u>77,251</u> | <u>10,050</u> | <u>204,801</u> | <u>183,104</u> |

4. Charitable activities

| | Basis of Allocation | Unrestricted Funds | | Restricted Funds | | Total 2012 | Total 2011 |
|--------------------------------|---------------------|--------------------|------------|------------------|---------------|----------------|----------------|
| | | General | Designated | General | Family Ties | | |
| | | £ | £ | £ | £ | £ | £ |
| Wages and salaries | Direct | 89,206 | - | 19,511 | 11,392 | 120,109 | 111,541 |
| Social security | Direct | 7,302 | - | 1,320 | - | 8,622 | 8,977 |
| Pension costs | Direct | 1,212 | - | - | 120 | 1,332 | - |
| Staff training | Direct | - | - | 1,786 | - | 1,786 | 6,109 |
| Rent and rates | Direct | - | - | 1,456 | 1,120 | 2,576 | 1,644 |
| Insurances | Direct | 3,492 | - | - | - | 3,492 | 2,913 |
| Heat and light | Direct | 5,714 | - | 2,000 | - | 7,714 | 7,527 |
| Cleaning | Direct | - | - | 944 | - | 944 | 819 |
| Repairs and renewals | Direct | 1,831 | - | - | - | 1,831 | 7,365 |
| Travel expenses | Direct | 600 | - | 490 | - | 1,090 | 2,584 |
| Provisions | Direct | 4,500 | - | 1,853 | - | 6,353 | 9,413 |
| Children's outings | Direct | - | - | - | - | - | 2,107 |
| Office equipment lease | Direct | - | - | 1,763 | - | 1,763 | 1,124 |
| Crèche expenses | Direct | - | - | 2,052 | 1,020 | 3,072 | 1,103 |
| Printing, postage & stationery | Direct | 1,243 | - | 300 | 61 | 1,604 | 2,619 |
| Telephone | Direct | 3,000 | - | 203 | 73 | 3,276 | 3,659 |
| Depreciation | Direct | - | - | 39,530 | - | 39,530 | 40,542 |
| General expenses | Direct | - | - | - | - | - | 715 |
| Computer costs | Direct | - | - | 1,298 | - | 1,298 | 1,693 |
| Mums/dads group activities | Direct | - | - | 2,888 | - | 2,888 | 8,109 |
| HMRC penalty | Direct | 1,050 | - | - | - | 1,050 | - |
| Bank charges | Direct | 40 | - | - | 5 | 45 | - |
| | | <u>119,190</u> | <u>-</u> | <u>77,394</u> | <u>13,791</u> | <u>210,375</u> | <u>220,563</u> |

The Cottage Family Centre
Notes to the Financial Statements
for the year ended 31 March 2012

5. Governance costs

| | Basis of Allocation | Unrestricted Funds | | Restricted Funds | | Total 2012 | Total 2011 |
|---------------------------|---------------------|--------------------|------------|------------------|-------------|---------------|--------------|
| | | General | Designated | General | Family Ties | 2012 | 2011 |
| | | £ | £ | £ | £ | £ | £ |
| Board expenses | Direct | - | - | 226 | - | 226 | 1,229 |
| Legal & professional fees | Direct | - | - | 21,542 | 206 | 21,748 | 3,045 |
| Accountancy fees | Direct | 3,468 | - | 400 | 50 | 3,918 | 2,755 |
| | | <u>3,468</u> | <u>-</u> | <u>22,168</u> | <u>256</u> | <u>25,892</u> | <u>7,029</u> |

6. Staff and Related Costs

| | 2012 | 2011 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Salaries | 120,109 | 111,541 |
| Social security costs | 8,622 | 8,977 |
| Pension costs | 1,332 | - |
| | <u>130,063</u> | <u>120,518</u> |

The total number of employees, by function was:

| | | |
|----------------|-----------|-----------|
| Support | 10 | 9 |
| Administration | 1 | 1 |
| | <u>11</u> | <u>10</u> |

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 £1,332 (2011: £Nil).

The Cottage Family Centre
Notes to the Financial Statements
for the year ended 31 March 2012

8. Tangible fixed assets

| | Computer Equipment £ | Fixtures & Fittings £ | Buildings £ | Totals £ |
|------------------------|----------------------------|-----------------------------|----------------|----------------|
| Costs | | | | |
| At 1 April 2011 | 13,785 | 59,235 | 781,459 | 854,479 |
| Additions | 1,846 | 355 | - | 2,201 |
| | <u>15,631</u> | <u>59,590</u> | <u>781,459</u> | <u>856,680</u> |
| At 31 March 2012 | | | | |
| Depreciation | | | | |
| At 1 April 2011 | 11,813 | 30,011 | 185,604 | 227,428 |
| Charge for the year | 2,355 | 5,917 | 31,258 | 39,530 |
| | <u>14,168</u> | <u>35,928</u> | <u>216,862</u> | <u>266,958</u> |
| At 31 March 2012 | | | | |
| Net book values | | | | |
| At 31 March 2012 | <u>1,463</u> | <u>23,622</u> | <u>564,597</u> | <u>589,722</u> |
| At 1 April 2012 | <u>1,972</u> | <u>29,224</u> | <u>595,855</u> | <u>627,051</u> |

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

9. Debtors

| | 2012 £ | 2011 £ |
|--------------------------------|---------------|--------------|
| Trade debtors | 16,027 | 5,270 |
| Other debtors | - | 464 |
| Prepayments and accrued income | 400 | - |
| | <u>16,427</u> | <u>5,734</u> |

The Cottage Family Centre
Notes to the Financial Statements
for the year ended 31 March 2012

10. Creditors: amounts falling due within one year

| | 2012 £ | 2011 £ |
|---------------------------------------|--------------|---------------|
| Other taxes and social security costs | - | 964 |
| Accruals and deferred income | 3,501 | 15,360 |
| Other creditors | 90 | 1,840 |
| | <u>3,591</u> | <u>18,164</u> |

11. Funds

| | Unrestricted Funds | | Restricted Funds | | Total | Total |
|-------------------------|---------------------------|-------------------|-------------------------|--------------------|----------------|----------------|
| | General | Designated | General | Family Ties | 2012 | 2011 |
| | £ | £ | £ | £ | £ | £ |
| Balance at 1 April 2011 | (36,280) | 9,445 | 651,490 | - | 624,655 | 649,915 |
| Incoming resources | 139,457 | - | 77,251 | 38,883 | 255,591 | 202,332 |
| Outgoing resources | (122,658) | - | (99,562) | (14,047) | (236,267) | (227,592) |
| Transfers | 76,210 | (9,445) | (64,582) | (2,183) | - | - |
| | <u>56,729</u> | <u>-</u> | <u>564,597</u> | <u>22,653</u> | <u>643,979</u> | <u>624,655</u> |

Represented by:

| | | | | | | |
|-----------------------|---------------|----------|----------------|---------------|----------------|----------------|
| Tangible fixed assets | 24,855 | - | 564,597 | 270 | 589,722 | 627,051 |
| Net current assets | 31,874 | - | - | 22,383 | 54,257 | (2,396) |
| | <u>56,729</u> | <u>-</u> | <u>564,597</u> | <u>22,653</u> | <u>643,979</u> | <u>624,655</u> |

12. Related party transactions

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

During the year under review travel expenses totaling £Nil (2011: £971) were paid to two directors.

The Cottage Family Centre
Notes to the Financial Statements
for the year ended 31 March 2012

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 6 members.

14. Leasing Commitments

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows:-

| | 2012 £ | 2011 £ |
|-----------------------|--------------|--------------|
| Expiry date: | | |
| Between 1 and 5 years | <u>1,855</u> | <u>1,124</u> |