

KINDRED ADVOCACY

Scottish Charity No: 000264

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2012

**Management Committee:
(Trustees)**

Morag Steven – Chair
Elisa Henderson
Becky Goss
Julia Main
David Walton
Celia Sweeney
Alison Corbett
Catherine Foggo

Treasurer:

Elisa Henderson

Bankers:

The Royal Bank of Scotland
61 Forrest Road
EDINBURGH
EH1 2QP

Independent Examiner:

Christopher Spalding C.A.
James Anderson & Co
Chartered Accountants
Pentland Estate
STRAITON
Edinburgh
EH20 9QH

Registered Address:

14 Rillbank Terrace
EDINBURGH
EH9 1LN

**Scottish Charity
Registration No:**

000264

Governing Document:

Constitution

**Report of the Management Committee
For the Year ended 31 March 2012**

The Management Committee presents their report and accounts for the year ended 31 March 2012.

A charitable company 'Kindred Advocacy' was set up on 14 October 2011 and permission was obtained from OSCR to transfer the charity to the company. This transfer took place on 31 March 2012.

Reference and Administrative Details

The information relating to Kindred Advocacy is contained on page 1.

Statement of Management Committee Responsibilities

Legislation requires the management committee to prepare accounts for each financial year 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 accounts, the committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 accounts.

The management committee is 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 accounts comply with the appropriate legislation. 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.

Structure, Governance and Management*Governing Document*

Constitution

Management Committee

Up to ten members can be elected at the Annual General meeting of which two should be parents of children with special needs. The appointments are for a period of three years up to a maximum of six years.

Recruitment of Committee Members

The committee members are appointed to maintain a balance of skills within the Committee. The committee can also co-opt members for their expertise.

Induction and Training of Committee Members

An induction programme, which includes a day spent shadowing staff, training and publications are made available to committee members to assist them to carry out their duties and understand their responsibilities. They take part in an annual development day when they review organisational strategy and their role in implementing that strategy.

Structure

The Management Committee appoints a director, carries out financial management and is available to assist the director. The director is responsible for the day to day management of the charity's activities. The management committee meets on a regular basis, on average seven times a year, to examine financial and operational matters. All staff have access to the committee.

Risk Management

The Management Committee are satisfied that the major risks to which the charity is exposed have been reviewed and procedures have been established to manage these risks.

**Report of the Management Committee (Continued)
For the Year ended 31 March 2012****Objectives and Activities**

The objects of Kindred Advocacy are:

To promote the welfare and advance the education of parents and carers of children with special needs and that of the children themselves.

In furtherance thereof:-

To provide assistance, support and information about services available.

To promote awareness of parents and carers' information needs amongst professional staff.

To collect and disseminate information on all matters affecting the said objects and exchange such information with other voluntary or statutory bodies, having similar objects whether in this country or overseas.

Achievements and Performance

The year ending 31 March 2012 has particular significance for Kindred as it marks the end of our five year grant from the Big Lottery Fund. It has been a very productive year and we have worked closely with 589 families providing advocacy and a wide range of support. We are delighted that we have achieved the objectives of our grant and our final year report to the Big Lottery Fund has been acknowledged as 'fully compliant'.

Staff based in Edinburgh have worked with 418 families. The team in Fife have worked with 121 families. Our young people's project has provided a range of support to 50 young people and their families. We implemented our monitoring and evaluation system in August 2011 and we were able to provide outcome data on 243 families for our final report to the Big Lottery Fund. For example, we are able to show that we are able to increase the confidence of parents in caring for their child from 52% to 84%. Using the Scottish Index of Multiple Deprivation, we are able to analyse postcodes for 436 households with whom we worked in 2011/2012. This data shows that we are more likely to work with families from areas that are considered deprived (in Edinburgh we are twice as likely, and in Fife three times more likely to work in these 'data zones').

For the last two years Sick Kids Friends Foundation has provided a generous grant to fund the post of Case Support Worker. Since the beginning of 2012 we have also benefited from a Scottish Government scheme providing statistical support to the voluntary sector. Mrs Julie Wilson, Deputy Chief Statistician is working with us to enhance the range of information we can glean from our data. The support from the Friends Foundation and Scottish Government has led to significant improvements in our capacity to present information to existing and potential funders.

Kindred has developed a partnership with ARK Housing, the Thistle Foundation, Edinburgh Development Group and the Action Group to work on a Scottish Government funded project. The 'Discoveries' project explores new ways of providing services through 'Self Directed Support'. Kindred has had the opportunity to run two pilot projects which encourage families to take a lead in managing the care of their child. Discoveries is part of a range of innovative support projects provided by Kindred including counselling, therapeutic massage on the wards of the Royal Hospital for Sick Children, workshops and social events for young people.

Finally, we were delighted to welcome families to our biennial summer party at the Royal Botanic Gardens, complete with magician. This year we held an art competition for children that revealed some exceptional hidden talents. The party was a wonderful way to acknowledge all the hard work behind the scenes at Kindred.

Financial review

The financial statements follow on pages 6 to 12. These statements are prepared in terms of the Statement of Recommended Practice 2005 – Accounting and Reporting by Charities and the Companies Act 1985.

The management committee considers that the aim should be for reserves to be at a level of at least the expenditure for three months in order to allow the charity to operate from year to year. The free reserves as at 31 March 2012 amount to £ 25,864.

**Report of the Management Committee (Continued)
For the Year ended 31 March 2012****Treasurer's report**

Over the last five years (2007 – 2012) we have received funding of £1,156,514 from the Big Lottery Fund. In the year ending 31st of March 2012, this one source of funding accounted for more than sixty percent of our income. We also receive consistent, long-term support in the form of grants from City of Edinburgh Council, Midlothian Council and in-kind support from the Royal Hospital for Sick Children. At the end of 2011, we received new funding of £15,000 from NHS Fife Carer Information Strategy. These funds enabled Kindred to work with almost six hundred families, providing a very high level of emotional and practical support.

In order to deliver outcomes for our project we have had to raise an additional £793,729 over five years. Initially we were able to meet this commitment through funds raised by our training programme. However, the economic downturn meant that training was no longer generating an income and in the last two years of the project we received a considerable contribution from the Big Lottery's Recession Fund. A hidden impact of our project has been to leave our organisation with reduced reserves, and this has meant fewer resources for developing new funding. However, we have risen to the challenge and made a number of improvements such as developing Sage, online banking and other improvements to our financial systems. We have also incorporated to become a company limited by guarantee.

Our annual income last year was £448,608, an increase on 2011 when our income was £406,205 (as restated). Our expenditure was £435,461. Although there is a small increase in reserves, it should be noted that this is restricted funding. Over the last three years we have gradually brought expenditure in line with income, reflecting increased control over our financial systems. However, the challenge in future years will be to rebuild our reserves.

In 2011 we put together a five year strategic plan (2012 – 2017). There were two main proposals within the plan. Firstly, we intend to diversify funding in order to avoid the dramatic loss of income that we have experienced at the end of the Big Lottery Fund grant. Secondly, we will be including Full Cost Recovery on all project budgets in order to ensure that we have funding for management, administration and general running expenses. Including Full Cost Recovery means that income from fundraising activities (such as sponsored events) can be used to rebuild our reserves rather than funding running costs. We have already made some progress with these aims. In February, we received an important grant of £40,000 from Sick Kids Friends Foundation towards the cost of a full time post at the Royal Hospital for Sick Children. We also have new funding from the R S MacDonald Trust towards our Helpline (£13,500 for two years). ARK Housing has provided a generous grant of £15,000 towards our young people's service. We are also grateful for grants from Lloyds TSB Foundation for Scotland (£7,000), Souter Charitable Trust (£5,000) Christina Mary Hendrie Trust (£5,000), G & L Ainsworth Trust (£500), and the Gannochy Trust (£3,993).

Looking to the future, our Big Lottery Fund grant has greatly strengthened our organisation. We have evolved a highly specialised service. We are now able to evidence the value of our service to parents, as well as the skill and dedication of our staff team. This will stand us in good stead for diversifying our funding to ensure a sustainable future.

By Order of the Committee

**Elisa Henderson
Treasurer**

23 October 2012

Independent Examiner's Report to the Trustees of Kindred Advocacy

I report on the accounts of the charity for the year ended 31 March 2012 which are set out on pages 6 to 12.

Respective responsibilities of committee and independent examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees 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 accounts 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) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees 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 in the accounts.

Independent examiners statement

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

1. 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 accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Christopher Spalding CA (ICAS)
James Anderson & Co
Chartered Accountants
Pentland Estate
Straiton
EH20 9QH

23 October 2012

**Statement of Financial Activities
(incorporating Income and Expenditure Account)**

For the Year Ended 31 March 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2011 As restated £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income	2	16,052	-	16,052	17,390
Activities for generating funds	3	995	-	995	701
Investment income – bank interest		88	-	88	80
Incoming resources from charitable activities					
Grants receivable	4	-	391,419	391,419	334,445
Contract income	4	40,054	-	40,054	53,589
Total incoming resources		<u>57,189</u>	<u>391,419</u>	<u>448,608</u>	<u>406,205</u>
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income	5	4,028	-	4,028	7,922
Charitable activities	6	47,651	377,870	425,521	413,976
Governance costs	7	5,912	-	5,912	3,068
Total resources expended		<u>57,591</u>	<u>377,870</u>	<u>435,461</u>	<u>424,966</u>
Net (Outgoing)/Incoming Resources for the Year					
		(402)	13,549	13,147	(18,761)
Fund Balances at 31 March 2011					
		<u>26,266</u>	<u>3,993</u>	<u>30,259</u>	<u>49,020</u>
Fund Balances at 31 March 2012					
	12	<u>25,864</u>	<u>17,542</u>	<u>43,406</u>	<u>30,259</u>

All the results of the charity relate to continuing activities.

There were no other recognised gains or losses other than those included above.

Balance Sheet
As at 31 March 2012

	Notes	2012 £	2011 £
Fixed Assets			
Tangible assets	9	7,852	7,976
Current Assets			
Debtors	10	8,858	45,694
Bank		56,455	19,322
		65,313	65,016
Current Liabilities			
Deferred income		12,304	27,750
Creditors	11	17,455	14,983
		29,759	42,733
Net Current Assets		35,554	22,283
Net Assets		43,406	30,259
Represented by:			
Restricted funds	12	17,542	3,993
Unrestricted funds	12	25,864	26,266
	12	43,406	30,259

The accounts on pages 6 to 12 were approved and signed on behalf of the Committee on 23 October 2012.

Elisa Henderson

Treasurer

Notes to the Accounts
For the Year Ended 31 March 2012

	2012	2011
	£	£
3. Activities for Generating Funds		
Unrestricted funds		
Cake Sale	-	178
Ian Rankin events	720	463
Other fundraised income	275	60
	<u>995</u>	<u>701</u>
	<u>995</u>	<u>701</u>
4. Incoming resources from charitable activities		
Grants received - restricted grants		
Big Lottery Fund	277,165	270,140
City of Edinburgh Council	14,044	14,044
City of Edinburgh Council	19,236	19,236
Midlothian District Council	7,340	6,775
Miss M E Swinton Paterson's Charitable Trust	-	1,250
Sick Kids Friends Foundation	27,250	23,000
NHS Fife	15,000	-
Lloyds TSB	7,000	-
Access to work	4,790	-
R S MacDonald	13,500	-
Christina M Hendrie	5,000	-
G & L Ainsworth	500	-
Skill Development	594	-
	<u>391,419</u>	<u>334,445</u>
	<u>391,419</u>	<u>334,445</u>
Contracted Income		
Training	-	23,139
Research	-	2,700
Self Directed Support project	12,304	-
ASL helpline & training	27,750	27,750
	<u>40,054</u>	<u>53,589</u>
	<u>40,054</u>	<u>53,589</u>

**Notes to the Accounts
For the Year Ended 31 March 2012**

	2012	2011
	£	£
5. Cost of generating voluntary income		
Fundraising expenses	4,028	7,922
	<u> </u>	<u> </u>
6. Charitable activities		
Monitoring & evaluation	5,510	-
Salaries	314,212	281,832
Staff pensions	17,192	15,040
Staff expenses	9,834	10,609
Staff supervision	4,955	5,549
Staff training	4,902	8,343
Staff recruitment costs	-	4,522
Contracted work expenses	3,103	15,676
Therapeutic services	13,870	19,465
Cleaning	1,680	565
Room hire	164	320
Project support	4,961	6,900
Production of information	4,285	2,863
Stationery	2,615	2,877
Postage	1,351	719
Rent	17,583	20,358
Heat & light	2,638	1,573
Water rates	940	-
Telephone	4,519	4,647
Website & photography	245	855
Subscriptions	1,202	742
Sundry expenses	323	291
Payroll service charge	733	820
Computer running costs	4,349	1,649
Insurance	1,764	1,923
Rebranding & organisational development expenses	-	3,863
Depreciation	2,591	1,975
	<u> </u>	<u> </u>
	425,521	413,976
	<u> </u>	<u> </u>
7. Governance Costs		
Committee expenses	510	200
Independent examiners fee	1,320	1,466
AGM expenses	818	89
Annual report	1,627	1,313
Legal fees	1,637	-
	<u> </u>	<u> </u>
	5,912	3,068
	<u> </u>	<u> </u>

**Notes to the Accounts
For the Year Ended 31 March 2012**

8. Staff Costs

The average monthly number of employees during this year was 13 (2010 – 13). No members of the management committee received any remuneration or reimbursement of expenses during the year for their service as executive committee members. No employee received remuneration of more than £60,000.

9. Fixed Assets

	Office Equipment
	£
Cost	
As at 31 March 2011	17,113
Additions	2,467
	<u> </u>
As at 31 March 2012	19,580
	<u> </u>
Depreciation	
As at 31 March 2011	9,137
Charge for year	25,901
	<u> </u>
As at 31 March 2012	11,728
	<u> </u>
Net Book Value	
At 31 March 2012	7,852
At 31 March 2011	7,976
	<u> </u>

	2012	2011
	£	£
10. Debtors		
Trade debtors	7,879	44,715
Prepayments	979	979
	<u> </u>	<u> </u>
	8,858	45,694
	<u> </u>	<u> </u>

11. Creditors

Trade creditors	7,079	6,460
Accruals	2,377	2,316
Other taxes & social security	7,999	6,207
	<u> </u>	<u> </u>
	17,455	14,983
	<u> </u>	<u> </u>

**Notes to the Accounts
For the Year Ended 31 March 2012**

12. Funds

	At 31 March 2011 £	Income £	Expenditure £	At 31 March 2012 £
Unrestricted funds	26,266	57,189	57,591	25,864
Restricted funds				
Big Lottery Fund	-	277,165	277,165	-
City of Edinburgh	-	14,044	14,044	-
Midlothian District	-	7,340	7,340	-
City of Edinburgh Council S10	-	19,236	19,236	-
Lloyds TSB	-	7,000	1,750	5,250
NHS Fife	-	15,000	15,000	-
Gannochy Trust	3,993	-	3,993	-
Sick Kids Friends Foundation	-	27,250	20,583	6,667
R S MacDonald	-	13,500	7,875	5,625
Access to work	-	4,790	4,790	-
Skill Development	-	594	594	-
Christina M Hendrie	-	5,000	5,000	-
G & L Ainsworth	-	500	500	-
	3,993	391,419	377,870	17,542
Total funds	30,259	448,608	435,461	43,406

The unrestricted funds represent funds which the Committee is free to use in accordance with the objects of the charity.

The restricted funds represent funds received and raised for specific purposes.

Prior Year Adjustment - Trust funded grants for families – Kindred receives grants as agent from Trusts to pay out to families. These funds were previously included as income & expenditure in the 2011 accounts. These have now been removed as the charity's SORP indicates such funds should not be shown in the charity's income & expenditure.

Source of funds:

Specific purpose

Big Lottery Fund	SNIP Advocacy and SNIP Fife
City of Edinburgh Council	To cover therapeutic services
Midlothian District Council	Advocacy and therapeutic services
City of Edinburgh Council S10	Helpline, emotional support, advocacy
Gannochy Trust	Support young disabled peoples society
Sick Kids Friends Foundation	Care support worker salary
NHS Fife	Advocacy Project
Lloyds TSB	Young People's Advocacy Co-ordinator
R S MacDonald	Helpline
Access to work	Statutory support for employee with disability
Skill Development	Staff training
Christina M Hendrie	Young People's Society
G & L Ainsworth	Young People's Society