

KINDRED ADVOCACY

Scottish Charity No: 000264

Company No. SC409397

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 14 OCTOBER 2011 TO 31 MARCH 2013**

**Report of the Directors
For the Period from 14 October 2011 to 31 March 2013**

The directors present their report and financial statements for the period from 14 October 2011 to 31 March 2013.

The company was incorporated on 14 October 2011 as a private company limited by guarantee and as a charity. The company was dormant up to 31 March 2012. On the 1 April 2012, the company took over the activities and assets and liabilities of an unincorporated charity with the same name (Charity no. SC000264) and activities commenced.

Reference and Administrative Details

<i>Company Number:</i>	SC409397
<i>Scottish Charity Registration No:</i>	SC000264
<i>Registered Office:</i>	7 Rutland Court Lane, Edinburgh, EH3 8ES
<i>Bankers:</i>	The Royal Bank of Scotland
<i>Company Directors: (Trustees)</i>	The directors serving during the period and since the period end were as follows: Morag Steven - appointed 14/10/2011 Elisa Henderson - appointed 14/10/2011 Becky Goss - appointed 14/10/2011 Julia Main - appointed 14/10/2011 David Walton - appointed 14/10/2011 – resigned 28/6/2013 Celia Sweeney - appointed 8/7/2013 Alison Corbett - appointed 14/10/2011 Catherine Foggo - appointed 14/10/2011 Nichola Printie - appointed 18/01/2013
<i>Secretary & Director of Operations</i>	Sophie Pilgrim
<i>Independent Examiner:</i>	Christopher Spalding C.A. (ICAS)

Statement of Directors Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing the financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Observe the methods and principles in the Charities Statement of Recommended Practice.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors (Continued)
For the Period from 14 October 2011 to 31 March 2013**Structure, Governance and Management**

Kindred Advocacy is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 14 October 2011. The liability of each member is limited to £1. Kindred Advocacy is a registered charity with the Office of the Scottish Charity Regulator (OSCR).

Structure

The company will have no less than three and no more than ten directors who shall be responsible for the management of the company's business. At any one time at least two directors are to be parents of children with additional needs. The directors may be elected at any general meeting of the company or appointed by the other directors.

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

Recruitment of Directors

The directors are appointed to maintain a balance of skills within the board of directors.

Induction and Training of Directors

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.

Risk Management

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

Objectives and Activities

The company's objects for the public benefit are to promote the relief of families of children and young people affected by ill-health or disability; and, to promote equality and diversity by advocacy and campaigning on behalf of families of disabled children and young people for better access to public facilities.

Kindred provides advocacy and information on services available to children with additional support needs and their carers. Kindred Advocacy changed legal status at 31 March 2012 and the company's activities commenced at 1 April 2012.

Achievements and Performance

The year ending 31 March 2013 was particularly challenging for Kindred as we reached the end of our five-year grant from the Big Lottery Fund that represented seventy percent of our income. As a result, we started the year with a substantial budget deficit. Throughout the year, the Director and trustees had to monitor income with a view to reducing staffing. In addition, by May 2012, we had experienced a reduction of our staff team from sixteen to nine, with six staff leaving to pursue new opportunities and one redundancy. In November 2012, staff in Edinburgh took salary cuts of between 20 - 40% after the team decided against further redundancies following negotiations with the Board of Kindred.

Despite the financial challenges and the reduction of our staff team by almost half, we saw no reduction in the level of work. We provided advocacy and a wide range of support to a total of 650 families, compared with 589 families in the previous year. Staff worked extremely hard throughout the year to sustain our service, making it possible to await the announcement of new sources of income. We continued to operate our telephone Helpline but we had to reduce our opening hours.

**Report of the Directors (Continued)
For the Period from 14 October 2011 to 31 March 2013****Achievements and Performance (continued)**

We have been able to maintain our counselling service and provide therapeutic massage to families on the wards of the Royal Hospital for Sick Children, Edinburgh. We also ran two workshops on communication that were well attended.

In a new venture, Kindred has joined 'Discoveries', a partnership with four other organisations: Ark Housing, Thistle Foundation, Edinburgh Development Group and the Action Group. Discoveries is funded by the Scottish Government's 'Self Directed Support' programme. As our contribution, Kindred ran two pilot peer support groups: one for families of children under five years and one for families with young people at transition. The Discoveries consortium and the pilot support groups have given Kindred the opportunity to reflect on our service and to trial new ways of providing support. We are now exploring a number of new developments in our organisation that place a greater emphasis on 'self management'.

In December 2012 we received a five-year grant from the Big Lottery Fund to support our service in Fife. This marked a turning point for Kindred as our administrative systems (particularly our monitoring and evaluation) were shown to be robust and working smoothly. Under our Big Lottery Fund grant we have been offered 'Development Support' which has been provided to us by Mary Jarvie (of Mary Jarvie Associates). This has been an opportunity to review our five year business plan (2012 – 2017). Under the plan we have identified a number of operational objectives which include: an increase in stable core funding; diversification of income; increased financial reserves (to three months running costs); clearly identified projects with set objectives.

In May 2013 we were successful in our application to the highly competitive Third Sector Early Intervention Fund (TSEIF). We hope to continue to develop Kindred so that we have greater stability, enabling us to work with more families in great need of support.

Treasurer's report

Our annual income last year of £306,769 was almost one third down on 2011 – 2012, when our income was £448,608. In fact, securing over three hundred thousands pounds in income was a notable achievement under the circumstances.

In the five years from 2007 – 2012 we received funding of £1,156,514 from the Big Lottery Fund. In the year ending 31st March 2012, this one source of funding accounted for seventy percent of our income. It has been a huge challenge for Kindred to face such a significant loss of income at a time of economic downturn. We have had to work hard this year, seeking funding from a wide range of sources, including new opportunities through the Scottish Government's 'Self Directed Support' initiative. In terms of strategic planning, the Board's long-term decision to diversify income in 2012 – 2013 has gradually come into effect. Rather than apply for a large grant to replace our Big Lottery funding, we have divided our work into project areas and moved towards seeking full cost recovery on all projects.

We have received a new grant of £40,000 from Sick Kids Friends Foundation towards a full time post at the Royal Hospital for Sick Children, Edinburgh. This is particularly important to Kindred because of the close links between the Friends Foundation and the hospital. We continue to receive significant funding from City of Edinburgh Council towards our Helpline (to provide information on Additional Support for Learning). We also receive grants from City of Edinburgh Council, Midlothian Council and NHS Lothian towards counselling, therapeutic massage and our Edinburgh staff salaries. We are grateful to the R S MacDonald Trust for funding of £13,500 (part of a two year grant towards our Helpline) and for their helpful guidance.

In Fife, we received generous support from the NHS Fife Carer Information Strategy. This enabled Kindred to retain our two Fife staff while we awaited news of our application to the Big Lottery Fund in December 2012. Our new Big Lottery Fund grant will fund around sixty percent of our Fife project for the next five years (2013 – 2018). Since April 2013, we have been able to increase staff hours in Fife.

**Report of the Directors (Continued)
For the Period from 14 October 2011 to 31 March 2013****Treasurer's report (continued)**

We managed to sustain our Young People's Service with the support of the Ark Housing Trust, the Lloyds TSB Foundation for Scotland, and the Gannochy Trust. This has enabled us to start the process of applying for longer term funding for this important service. We also secured £10,877 from Better Breaks, Scottish Government funding towards respite services for children and young people with disabilities.

We are particularly appreciative this year of generous donations from Ian Rankin and from Jim McGuire. We were also fortunate to be selected as local charity of the year by Aegon and received a donation of £19,000 as a result of the fundraising efforts of their staff.

Kindred is now in a much stronger position to seek funding. We have received a number of new grants that mean that we will be able to retain, or even increase, our staff team in the year ahead.

Reserves policy

The directors consider that the aim should be for reserves to be at a level of at least three months of running costs in order to allow the charity to operate from year to year. The current sum of free reserves at 31st March 2013 is £25,026.

Independent Examiner

Christopher Spalding C.A. has indicated his willingness to continue in office as independent examiner and a resolution proposing his re-appointment will be put to the Annual General Meeting.

On Behalf of the Board

**Nichola Printie
Director**

29 July 2013

Independent Examiner's Report to the Trustees of Kindred Advocacy

I report on the accounts of the charity for the period from 14 October 2011 to 31 March 2013 which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees (directors) 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 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) – (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 (as amended) and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)have 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

29 July 2013

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

For the Period from 14 October 2011 to 31 March 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £
Incoming Resources				
Incoming resources from generated funds				
Voluntary income	2	41,467	-	41,467
Activities for generating funds	3	3,050	-	3,050
Incoming resources from charitable activities	4	-	197,512	197,512
Grants receivable				
Contract income	4	64,740	-	64,740
		<u>109,257</u>	<u>197,512</u>	<u>306,769</u>
Total incoming resources				
Resources Expended				
Costs of generating funds				
Costs of generating voluntary income	5	1,251	-	1,251
Charitable activities	6	107,117	208,475	315,592
Governance costs	7	1,727	-	1,727
		<u>110,095</u>	<u>208,475</u>	<u>318,570</u>
Total resources expended				
Net Expenditure for the Period		(838)	(10,963)	(11,801)
Fund Transferred in 1 April 2012		<u>25,864</u>	<u>17,542</u>	<u>43,406</u>
Fund Balances at 31 March 2013		12 <u>25,026</u>	<u>6,579</u>	<u>31,605</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 2013

	Notes	£
Fixed Assets		
Tangible assets	9	5,889
		<hr/>
Current Assets		
Debtors	10	18,511
Bank		67,749
		<hr/>
		86,260
		<hr/>
Current Liabilities		
Creditors: amounts falling due within one year	11	60,544
		<hr/>
		<hr/>
Net Current Assets		25,716
		<hr/>
Net Assets		31,605
		<hr/>
Represented by:		
Restricted funds	12	6,579
Unrestricted funds	12	25,026
		<hr/>
	12	31,605
		<hr/>

These annual accounts have not been audited because the company is entitled to the exemption provided by S477 of the Companies Act 2006 and members have not required the company to obtain an audit of its accounts for the period in accordance with S476 of the Companies Act 2006. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with S386 of the Companies Act 2006. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with S396 Companies Act 2006, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company. The financial statements on pages 6 to 13 were approved on 29 July 2013 and signed on its behalf.

Nichola Printie Director

Notes to the Financial Statements
For the Period from 14 October 2011 to 31 March 2013

1. Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and in accordance with the Companies Act 2006.

b) Incoming Resources

Voluntary income and donations are included in incoming resources when they are receivable. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs. The receipt in advance of contracted income conditional on performance in a future accounting period is recognised in these accounts as deferred income.

c) Resources Expended

All expenditure is included on an accruals basis and has been directly attributed to one of the financial categories of resources expended in the Statement of Financial Activities. The Charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged at annual rates over the expected useful life of the assets.

Equipment	25%	straight line
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e) Pension Costs

The company operates a money purchased defined contribution pension scheme, contributions are charged against profits on the amounts payable for the year.

f) Fundraising Costs

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work.

2. Voluntary Income

	£
Paterson Logan Charitable Trust	2,000
Souter Charitable Trust	5,000
Donations	6,447
Miss M E Swinton Paterson's Charitable Trust	1,000
Aegon	19,000
J. McGuire	8,000
Memberships	20
	<hr/>
	41,467
	<hr/>

Notes to the Financial Statements
For the Period from 14 October 2011 to 31 March 2013

	2013
	£
3. Activities for Generating Funds	
Unrestricted funds	
Ian Rankin events	1,773
Other fundraised income	1,277
	<u>3,050</u>
	<u> </u>
4. Incoming resources from charitable activities	
Grants received - restricted grants	
Big Lottery Fund	17,505
City of Edinburgh Council	14,044
City of Edinburgh Council	19,236
Midlothian District Council	6,775
Sick Kids Friends Foundation	42,500
NHS Fife	56,800
Ark Housing Association	15,000
Access to work	275
R S MacDonald	13,500
Shared Care Scotland	10,877
Young Scot	1,000
	<u>197,512</u>
	<u> </u>
Contracted Income	
Carers information point	3,500
Self Directed Support project	33,490
ASL helpline & training	27,750
	<u>64,740</u>
	<u> </u>

Notes to the Financial Statements
For the Period from 14 October 2011 to 31 March 2013

	2013
	£
5. Cost of generating voluntary income	
Fundraising expenses	1,251
	<hr/>
6. Charitable activities	
Salaries	230,372
Staff pensions	13,927
Staff expenses	7,239
Staff supervision	3,921
Staff training	1,035
Staff recruitment costs	1,106
Contracted work expenses	2,949
Therapeutic services	12,668
Cleaning	1,625
Room hire	197
Project support	7,635
Production of information	1,742
Stationery	1,233
Postage	1,576
Rent	14,369
Heat & light	1,294
Water rates	840
Telephone	3,319
Website & photography	60
Subscriptions	715
Sundry expenses	493
Payroll service charge	671
Computer running costs	2,437
Insurance	1,484
Organisational development expenses	722
Depreciation	1,963
	<hr/>
	315,592
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7. Governance Costs	
Committee expenses	131
Independent examiners fee	1,500
AGM expenses	83
Annual report	13
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	1,727
	<hr/>

Notes to the Financial Statements
For the Period from 14 October 2011 to 31 March 2013

8. Staff Costs

	£
Wages	211,625
Social security costs	18,747
Pension costs	13,927
	<u>244,299</u>

The average monthly number of employees during this year was nine. No directors 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	
Transferred in 1 April 2012	19,580
	<u>19,580</u>
As at 31 March 2013	<u>19,580</u>
Depreciation	
Transferred in 1 April 2012	11,728
Charge for year	1,963
	<u>13,691</u>
As at 31 March 2013	<u>13,691</u>
Net Book Value	
At 31 March 2013	<u>5,889</u>
	2013 £

10. Debtors

Trade debtors	15,200
Prepayments	3,311
	<u>18,511</u>

11. Creditors: amounts falling due within one year

Trade creditors	8,298
Accruals	1,500
Other taxes & social security	4,508
Deferred income	27,750
Other creditors	18,488
	<u>60,544</u>

**Notes to the Financial Statements
For the Period from 14 October 2011 to 31 March 2013**

12. Funds

	Introduced 1 April 2012 £	Income £	Expenditure £	At 31 March 2013 £
Unrestricted funds	25,864	109,257	110,095	25,026
Restricted funds				
Big Lottery Fund	-	17,505	17,505	-
City of Edinburgh	-	14,044	14,044	-
Midlothian District	-	6,775	6,775	-
City of Edinburgh Council S10	-	19,236	19,236	-
Lloyds TSB	5,250	-	5,250	-
NHS Fife	-	56,800	56,800	-
Sick Kids Friends Foundation	6,667	42,500	49,167	-
R S MacDonald	5,625	13,500	13,500	5,625
Ark Housing Association	-	15,000	15,000	-
Access to work	-	275	275	-
Shared Care Scotland	-	10,877	10,877	-
Young Scot	-	1,000	46	954
	<u>17,542</u>	<u>197,512</u>	<u>208,475</u>	<u>6,579</u>
Total funds	<u>43,406</u>	<u>306,769</u>	<u>318,570</u>	<u>31,605</u>

The charity previously was constituted as an unincorporated organisation and the closing balances at 31 March 2012 of the unincorporated organisation were transferred into the company at 1 April 2012.

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.

Source of funds:

Specific purpose

Big Lottery Fund	Kindred in 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	Peer supporter RHSC & counselling service
NHS Fife	Promoting resilience for parent carers
Lloyds TSB	Young People's Advocacy Co-ordinator
R S MacDonald	Helpline
Access to work	Statutory support for employee with disability
Ark Housing Association	Young People's Advocacy/consultation
Shared Care Scotland	Better Breaks programme
Young Scot	Young people's participation project

Notes to the Financial Statements
For the Period from 14 October 2011 to 31 March 2013

13. Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total £
Tangible fixed assets	5,889	-	5,889
Net current assets	19,137	6,579	25,716
	<u>25,026</u>	<u>6,579</u>	<u>31,605</u>