

**EVALUATION SUPPORT SCOTLAND  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 March 2007**

**Charity no: SC036529  
Company no: SC284843**

# EVALUATION SUPPORT SCOTLAND

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# EVALUATION SUPPORT SCOTLAND

## Legal and administrative information

### Status

Evaluation Support Scotland is a charitable company. It was incorporated on 16 May 2005 as a company limited by guarantee. It received recognition as a Scottish Charity on 25 May 2005. It is governed by a Memorandum and Articles of Association.

### Registered office

Riverside House  
502 Gorgie Road  
Edinburgh  
EH11 3AF

### Trustees

John Arthur  
Mary Craig (appointed 10 April 2006)  
Martin Crewe  
Fraser Falconer - Convenor  
Marion Lacey  
Maureen McGinn  
Professor Linda McKie - Treasurer (resigned 18 September 2006)  
Andrew Muirhead  
Dr Nicola Richards  
Fiona Rogan  
Rev Jayne Scott - Deputy Convenor  
Dr Erica Wimbush

The directors of the charitable company, who are its trustees for the purposes of charity law, are collectively referred to throughout this report as trustees.

**Company Secretary and Chief officer:** Steven Marwick  
**(Known as Director)**

### Other current staff:

Jennifer Challinor, Administration and Information Officer  
Jacqueline McDowell, Evaluation Support Officer  
Anne Morrison, Training Officer

### Auditors

Geoghegan & Co.  
Chartered Accountants  
6 St Colme Street  
Edinburgh  
EH3 6AD

### Bankers

Bank of Scotland  
38 St Andrew Square  
Edinburgh EH2 2YR

## **EVALUATION SUPPORT SCOTLAND**

### **TRUSTEES' ANNUAL REPORT for the year ended 31 March 2007**

The trustees, who are also directors for the purposes of company law, present their report and the audited financial statements for the period from 1 April 2006 to 31 March 2007.

#### **Structure, Governance and Management**

##### ***Appointment of trustees***

The current trustees of Evaluation Support Scotland are in the main its founder members. A retirement rota is now in place and a third of trustees will retire each year starting with the Annual General Meeting in 2007. The procedure for recruiting new members is that trustees are recruited through open advert. A pack of materials including terms of reference for the board and a role description for individual trustees is provided to applicants. Applications are made by CV. A shortlist of candidates is selected and interviewed by a panel of existing trustees. Trustees all have the skills set out in the role description and the board has also ensured that it contains a mix of trustees with experience of funding voluntary organisations, of working in the voluntary sector and of evaluation theory and practice.

The feedback from a public launch and ongoing consultation including a major stakeholder survey in March 2006 enables Evaluation Support Scotland to ensure appropriate and relevant involvement and feedback from its stakeholders. A stakeholder conference is planned for August 2007.

##### ***Induction and training for Trustees***

New trustees receive an induction pack and one to one induction with senior staff and the convenor. An away day for trustees and staff took place in September 2006 to identify board specific actions to meet strategic and governance responsibilities. A skills audit took place in January 2007 and a programme to meet identified knowledge gaps has been built into board meetings.

##### ***Operations of the board***

The Board operates to terms of reference which were revised in April 2006. The Board conducts its business through regular meetings (every 6-8 weeks). The board met 6 times throughout the year and also had an away day. The board currently has two standing committees: Finance and Human Resources. Individual trustees are identified as lead trustees for specific projects.

Trustees also follow an agreed policy on conflicts of interest. A register of interest is held and regularly reviewed and specific interests are declared at the start of each board meeting.

##### ***Risk Policy***

The Trustees have examined the major governance, operational, financial, reputational, environmental and legal risks which the charity faces and confirm that there are policies, procedures and contingencies in place to manage and reduce these risks. The risk register is reviewed annually and the board receives regular reports on the management of significant risks.

## **EVALUATION SUPPORT SCOTLAND**

### **TRUSTEES' ANNUAL REPORT (Continued) for the year ended 31 March 2007**

Staff members are aware of the key risks already identified. A project management system including specific risk review is used when embarking on major new projects.

#### **Objectives and activities**

##### ***Charitable objects***

Evaluation Support Scotland's charitable objects are as follows:

1. To advance education by promoting learning about evaluation and the results of evaluation as a process which can be used to improve the delivery of services for people in necessitous circumstances throughout Scotland; and in support of that object but not otherwise:
  - (i) to encourage life long learning and education through the involvement of service users in the delivery and improvement of services;
  - (ii) to provide advice and support for charities and other organisations undertaking or funding charitable work about undertaking and learning from evaluation of their activities;
  - (iii) to support charities and other organisations undertaking or funding charitable work in delivering better services to people in necessitous circumstances including, but without prejudice to the generality, young people, older people, unemployed people, disabled people, people suffering from health or social problems, people living in disadvantaged neighbourhoods and people from minority ethnic communities;
  - (iv) to improve the delivery of services for people in necessitous circumstances by encouraging funders, voluntary organisations and others to work together to reduce bureaucracy and implement learning about effective service delivery;
  - (v) to encourage Government and other agencies to learn from the results of evaluation and thus make better use of resources for the benefit of the public.
2. To promote such other purposes, objects or institutions as are charitable in law and in such proportions and manner as the Trustees shall think fit

In order to deliver the charitable objects, Evaluation Support Scotland has developed a logic model. This is a validated model of planning and delivery which ensures a link between activities and outcomes. Evaluation Support Scotland's logic model derives from 3 years of research and consultation and can be expressed as follows:

- Voluntary organisations and charities need to deliver the very best services they can in order to meet their own charitable objectives.
- In order to do this they need to evaluate and learn from their own practice and also from wider research evidence.
- However many voluntary organisations and charities voluntary groups and those who fund them have difficulty in developing the understanding, skills and resources to undertake evaluation and to learn from it. In addition the demands of monitoring, with an emphasis on accountability and process, make it difficult for groups and funders to focus on evaluation for learning.

## **EVALUATION SUPPORT SCOTLAND**

### **TRUSTEES' ANNUAL REPORT (Continued) for the year ended 31 March 2007**

#### **Objectives and activities**

##### ***Charitable objects (Continued)***

- Evaluation Support Scotland's business model is set out in a 3 year business plan which details its mission, values, outcomes and activities that are set in order to meet the identified need. Annual plans are also developed to refine the business plan and build in ongoing learning to the business model.

##### ***Mission and values***

Evaluation Support Scotland's mission is:

"To provide specialist support to voluntary organisations and funders to enable them to evaluate and learn and so provide better services for communities."

Evaluation Support Scotland's values that underpin its work are:

- To work openly and fairly and in partnership wherever possible and to promote equality and transparency in and through our work and the work of our partners.
- To promote learning by using and helping others to use evaluation to improve the delivery of services for communities.
- To promote a culture of honesty so that a fair appraisal of the weaknesses of a piece of work leads to learning and understanding and not punishment.
- To use whatever methods are most appropriate to learn, and not become wedded to one particular approach.
- To promote a culture of learning within Evaluation Support Scotland itself, including undertaking regular evaluations of our own work and learning from our successes and weaknesses.

##### ***Evaluation Support Scotland outcomes and activities***

Evaluation Support Scotland's outcomes are as follows:

- People in voluntary organisations have increased skills and knowledge to evaluate their work.
- Voluntary organisations and funders have increased ability to incorporate learning from evaluation to improve their services.
- Voluntary organisations deliver better services as a result of learning from evaluation.
- Voluntary organisations and funders spend less time and resources on ineffective monitoring.

A 5<sup>th</sup> internal outcome is that ESS is a well run organisation and a good place to work.

## **EVALUATION SUPPORT SCOTLAND**

### **TRUSTEES' ANNUAL REPORT (Continued) for the year ended 31 March 2007**

#### **Objectives and activities**

##### **Evaluation Support Scotland outcomes and activities (Continued)**

In order to achieve these outcomes, ESS:

1. Provides evaluation support for voluntary organisations. This includes:
  - Helpdesk (email and phone)
  - Website (resources, evaluation support guides, consultants database)
  - ½ day 1-1 support sessions
  - Core programme of workshops (piloted spring, roll out from autumn)
  - Tailored programmes of evaluation support or events.
2. Helps funders improve their evaluation knowledge and harmonise evaluation requirements and language.
3. Promotes self-evaluation and the use of evaluation through events and publications.
4. Works with intermediaries and other specialist organisations to gather and promote learning about what works for whom in what circumstances.

#### **Main activities and achievements**

ESS collects appropriate information about its work with clients on a database and in paper files. Progress towards the ESS outcomes is measured using before and after assessments and client feedback. ESS also follows up workshop delegates and organisations who receive 1-1 support after their intervention to find out whether any changes have been sustained. An online stakeholder survey was run in March and 156 people responded.

The following is a summary list of ESS's achievements in the charity's own words.

- We worked with 228 voluntary organisations in 2006/07. Of these 148 organisations attended a workshop. This translated into 217 delegates on 28 workshops. A further 95 organisations received tailored face-to-face support. This translated into 109 support sessions for a total of 347 people. The remainder were helped by phone or email. We also worked with 13 public and charitable funders and had contact with 13 local authorities.
- 87% of organisations who got 1-1 support showed increased skills and knowledge to evaluate their work. This means they know how to express their outcomes and have systems to collect and analyse information about those outcomes.
- Nearly all workshop participants increased their skills and knowledge on evaluation following out workshop. We also asked workshop delegates for feedback 3 months after attending a workshop. We got responses from 40 delegates (18%). Most said they had integrated learning about evaluation into their work.

## **EVALUATION SUPPORT SCOTLAND**

### **TRUSTEES' ANNUAL REPORT (Continued) for the year ended 31 March 2007**

#### **Objectives and activities**

#### **Main activities and achievements (Continued)**

- One third of the 95 organisations who received 1-1 support in 2006/07 are so far able to evidence that they are incorporating learning from evaluation to improve services. It's too early to tell for a further third of organisations we supported. Just over a quarter of organisations we work with didn't respond to requests for follow up feedback. So we don't know if they've used their new evaluation skills to learn and improve. We have improved our systems to get more feedback in future.
- We ran a support programme for projects funded through the Partnership Drugs Initiative. Participant feedback showed an increase in skills on defining and reporting on outcomes. Early feedback from PDI staff shows that projects have greater understanding of outcomes and have improved their reports. This in turn will give the PDI better information about 'what works' in for children and young people affected by substance misuse.
- We worked with Aberlour Childcare Trust, a Scotland-wide children's charity. Aberlour senior staff said that the work had produced increased learning about how to measure and report on outcomes of work with children consistently across Aberlour and increased ability within Aberlour to ensure that learning from evaluation is captured and acted on in order to better inform policy and practice and deliver better services for children.
- We worked with the Mental Health Foundation and the Scottish Arts Council on a Participatory Arts and Self Evaluation pilot. The project will complete in summer 2007. Our input to this project was to bring robust but appropriate self evaluation methods to help organisations build up the evidence base about effective mental health practice using user focussed evaluation methods.
- We worked with the Voluntary Action Fund to help funded race equality projects set up systems to measure the difference they make and how this contributes to race equality goals. This work continues in 2007 but should result in a greater understanding about effective race equality practice such as in helping young people, influencing statutory agencies and supporting vulnerable people to access services. This in turn will help inform policy making at national and local level.
- Throughout 2006 we ran a 'harmonisation pilot' to support voluntary organisations providing services for children and young people in central Scotland to show what difference they are making through their work and review the monitoring and evaluation requirements from each of their funders to see if improvements can be made so that reporting is less burdensome. The main outcome of this work was increased understanding about tackling the barriers to evaluation and learning. The pilot participants helped ESS draw up challenges for funders and voluntary organisations which were presented at the Third Sector Summit in December 2006 and will be further addressed through the Evaluation Declaration.

## **EVALUATION SUPPORT SCOTLAND**

### **TRUSTEES' ANNUAL REPORT (Continued) For the year ended 31 March 2007**

#### **Main activities and achievements (Continued)**

- ESS worked with the Scotland Funders Forum to draft the Evaluation Declaration, a document with 5 statements that describe why monitoring, evaluation and reporting are important and what they should achieve. It was launched in December 2006. The Evaluation Declaration is evidence of funders working together to maximise resources and learning. ESS and the Forum will develop a plan of action to take forward the Evaluation Declaration in 2007.
- We worked with The Robertson Trust to redevelop their monitoring and evaluation procedures. The new forms and guidance will be used from April 2007.
- We worked with the Scottish Executive Equality Unit and Scottish Women's Aid to develop a monitoring and evaluation framework and guidance for work with children experiencing domestic violence. The framework was designed to ensure that the information collected by Women's Aid groups about their work with children could also be used by local authority partners to report on the local Children's Services Plan and that it would meet the requirements of HM Inspectorate of Education. This had the negative impact of making the overall reporting requirements quite onerous but on the positive side is an example developing a joined up approach to meet local and national government needs and inspection requirements.
- We helped voluntary organisations stop collecting unhelpful information and focus efforts on evaluation for learning. 26% of respondents to our stakeholder survey said that we had helped them reduce the time they spend on unnecessary monitoring.
- We maintained our online database of evaluation resources, tools and consultants and commissioned a new website to make access to this information more user-friendly and easier to access. The new website will be available in summer 2007.

#### **Financial review**

Evaluation Support Scotland's total incoming resources amounted to £182,608 in 2006/07 (2006 - £95,925). This consisted of:

- A core grant from the Scottish Executive Voluntary Social Inclusion and Voluntary Issues Division of £107,599.
- A grant of £39,916 from the Big Lottery Fund which is a restricted fund towards the cost of providing evaluation support to the voluntary sector. A further £2,093 was carried over from 2005/06.
- A restricted Access to Work grant of £1,194 from the Department of Social Security to pay for equipment.
- Income earned from training, contracts and bank interest of £29,779.

## **EVALUATION SUPPORT SCOTLAND**

### **TRUSTEES' ANNUAL REPORT (Continued) For the year ended 31 March 2007**

#### **Financial Review (Continued)**

##### ***Policy on earned income***

Evaluation Support Scotland's grant income enables it to provide a basic time limited free service to any voluntary organisation which requires it. This time limit amounts to about half a day of free support. As it is not possible to provide a limitless free service trustees have resolved the following policy on charging for services to cover the immediate and ongoing costs of providing these services.

- A charge is made for attending workshops. Follow up support is free.
- Organisations which require more than half day of support are charged a daily rate designed to cover the staff and administration costs of providing service or providing backfill for core staff.
- A service to funders involving bespoke evaluation support for their funded organisations is also charged at the same rate.

Evaluation Support Scotland has the flexibility to offer more free support for some organisations where there is a broader strategic implication.

##### ***Reserves policy***

The Trustees are of the opinion that Evaluation Support Scotland should hold free reserves (being unrestricted funds excluding fixed assets) equivalent to 3 months budgeted expenditure. Free reserves were £34,445 at 31 March 2007 (2006 - £6,908). ESS's budgeted expenditure for 2007/2008 is £193,000. As reserves can only be generated from unrestricted income it is not possible to reach the required level of reserves immediately. The aim is to build up free reserves towards the required level by 2010.

There are currently no designated funds.

##### **Plans for future periods**

The aims, outcomes and activities for Evaluation Support Scotland in 2007/08 will be substantially the same as in 2006/07. The main activities will be as follows:

1. Build the evaluation and learning capacity of at least 200 voluntary organisations through workshops and 1-1 support.
2. Deliver a bespoke evaluation support contract for the Laidlaw Youth Trust.
3. Develop a programme with the Big Lottery Fund to implement the Evaluation Declaration with members of the Scotland Funders Forum.
4. Work with SCVO to evaluate the impact of the Big Lottery Fund's Dynamic Inclusive Communities Programme for intermediary organisations.

## **EVALUATION SUPPORT SCOTLAND**

### **TRUSTEES' ANNUAL REPORT (Continued)**

**For the year ended 31 March 2007**

#### ***Plans for future periods (Continued)***

5. Find new ways to build learning and understanding about evaluation including a learning set for Communities Scotland and regular e-bulletins.
6. Contribute to learning about 'what works' in mental health and the arts.
7. Identify and work on at least 2 other 'what works' areas probably including ways to evaluate employability and using evaluation to promote user involvement.
8. Work with Health Scotland to help implement their evaluation capacity building priorities.
9. Launch a new website, new evaluation guides and tools to help funders and voluntary organisations have access to simple evaluation support material that increases knowledge, skills and understanding.
10. Run a conference to showcase ESS's learning and evaluation good practice in August 2007.

ESS's current core funding agreement with the Scottish Executive Voluntary Issues Unit ends on 31 March 2008. A priority for the coming year is to secure continuation funding. Early negotiations with Scottish Executive officials began in June 2007. A wider fundraising strategy is also in place to secure funding from other sources.

#### **Statement of Trustees' Responsibilities**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including the net income or expenditure, for the year. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for maintaining proper accounting records that 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 the Companies Act 1985. The trustees 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **EVALUATION SUPPORT SCOTLAND**

### **TRUSTEES' ANNUAL REPORT (Continued) for the year ended 31 March 2007**

#### **Statement of disclosure to the auditors**

- (a) so far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and;
- (b) they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Directors and trustees**

The trustees, who are also directors for the purpose of company law, who served during the period and up to the date of this report are set out on page 2.

Under the terms of the Articles of Association all the Trustees were required to retire from office at the first AGM and, being eligible for reappointment, were reappointed by the members. At each subsequent AGM, one third of Trustees (the longest serving trustees) must retire from office. Accordingly, Mary Craig, Linda McKie and Maureen McGinn will retire at the AGM and being eligible will stand for re-appointment.

#### **Auditors**

A resolution proposing the re-appointment of Geoghegan & Co, Chartered Accountants, as auditors of the company will be placed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with *the Statement of Recommended Practice – Accounting and Reporting by Charities* (March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Trustees on 30 July 2007 and signed on their behalf by:

**Fraser Falconer**  
Convenor

## **EVALUATION SUPPORT SCOTLAND**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVALUATION SUPPORT SCOTLAND**

We have audited the financial statements of Evaluation Support Scotland for the year ended 31 March 2007 on pages 14 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company'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 company'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 company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of Evaluation Support Scotland for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has 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 trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees 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 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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **EVALUATION SUPPORT SCOTLAND**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVALUATION SUPPORT SCOTLAND**

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2007, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

**Geoghegan & Co**  
Chartered Accountants and  
Registered Auditors

30 July 2007

## EVALUATION SUPPORT SCOTLAND

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 March 2007

	Notes	Un- restricted £	Restricted £	Total 2007 £	Total 2006 £
<b>Incoming resources</b>					
<i>Incoming resources from charitable activities:</i>					
Grants	3	111,719	41,110	152,829	92,147
Training and project income	4	28,156	-	28,156	3,330
Other income		250	-	250	-
<i>Incoming resources from generated funds:</i>					
Bank interest		<u>1,373</u>	<u>-</u>	<u>1,373</u>	<u>448</u>
<b>Total incoming resources</b>		<u>141,498</u>	<u>41,110</u>	<u>182,608</u>	<u>95,925</u>
<b>Resources expended</b>					
Charitable activities	5	107,851	40,521	148,372	79,277
Governance costs	6	<u>5,950</u>	<u>-</u>	<u>5,950</u>	<u>3,775</u>
<b>Total resources expended</b>		<u>113,801</u>	<u>40,521</u>	<u>154,322</u>	<u>83,052</u>
<b>Net movement in funds</b>		27,697	589	28,286	12,873
<b>Funds brought forward</b>		<u>10,780</u>	<u>2,093</u>	<u>12,873</u>	<u>-</u>
<b>Funds carried forward</b>		<u>38,477</u>	<u>2,682</u>	<u>41,159</u>	<u>12,873</u>

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

## EVALUATION SUPPORT SCOTLAND

### BALANCE SHEET At 31 March 2007

	Notes	2007 £	2006 £
<b>Fixed assets</b>	9	4,771	<u>3,872</u>
<b>Current assets</b>			
Bank & cash		49,329	18,072
Debtors		<u>2,427</u>	<u>1,043</u>
		<u>51,756</u>	<u>19,115</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>15,368</u>	<u>10,114</u>
<b>Net current assets</b>		<u>36,388</u>	<u>9,001</u>
<b>Net Assets</b>		<u>41,159</u>	<u>12,873</u>
<b>Unrestricted Fund</b>	11	38,477	10,780
<b>Restricted Funds</b>			
Big Lottery Fund	11	<u>2,682</u>	<u>2,093</u>
<b>Total funds</b>		<u>41,159</u>	<u>12,873</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved and authorised for issue by the Trustees on 30 July 2007 and signed on their behalf by:

**Fraser Falconer**  
Convenor

**Professor Linda McKie**  
Treasurer

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2007

#### 1. Accounting policies

##### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

##### ***Incoming resources***

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income is received by way of grants and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance of the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Activities for generating funds include training income and is included in Statement of Financial Activities when receivable.
- Donated services and facilities are included at the value to the charity where this can be quantified.
- Bank interest is included when receivable.

##### ***Resources expended***

Expenditure is recognised on an accruals basis as a liability is incurred. The charity is not registered for VAT and expenditure is therefore inclusive of any irrecoverable VAT which is reported as part of the expenditure to which it relate:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2007

#### 1 *Accounting policies (continued)*

- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in notes 5 and 6.

#### ***Tangible fixed assets***

Tangible fixed assets are stated at cost less provision for diminution in value. Only assets costing more than £500 are capitalised.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life as follows:

Computer equipment – over 3 years

Office Furniture – over 3 years

#### ***Fund Accounting***

Funds held by the charity comprise both unrestricted and restricted funds. Restricted funds 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 a particular restricted purpose.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### ***Pension***

Employees of the charity are entitled to join a defined contribution 'money purchase' pension scheme run by SCVO. The charge in the financial statements represents the contributions payable by the charity for the period. There were no outstanding contributions at 31 March 2007.

#### ***Taxation***

As a charity, Evaluation Support Scotland is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

#### 2 **Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2007

	2007	2006
	£	£
<b>3 Grants and donations</b>		
Voluntary Issues Unit grant – Core funding	107,599	83,218
Big Lottery Fund grant	39,916	5,000
Access to Work award	1,194	-
'In-kind' support from the Lloyds TSB Foundation for Scotland	<u>4,120</u>	<u>3,929</u>
	<u>152,829</u>	<u>92,147</u>

Evaluation Support Scotland received support in kind from the Lloyds TSB Foundation for Scotland during the period in the form of rent free office accommodation. The level of in kind support received has been calculated on the basis of floor space utilised for inclusion in the financial statements.

Andrew Muirhead, Chief Executive of the Lloyds TSB Foundation for Scotland was a trustee for part of the year although he did not attend board meetings in 2006 as he was abroad on Sabbatical. He stood down from the board at the annual general meeting and Mary Craig, Deputy Chief Executive of the Lloyds TSB Foundation for Scotland, joined the board by co-option in April 2006.

	2007	2006
	£	£
<b>4 Other income from charitable activities</b>		
Training income	1,688	3,330
Income from Workshops	8,045	-
Income from Contracts	17,048	-
Support income	<u>1,375</u>	<u>-</u>
	<u>28,156</u>	<u>3,330</u>

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2007

5	<b>Cost of charitable activities</b>	Basis of Allocation	Core Activities £	Restricted Activities £	2007 £	2006 £
	<b>Direct charitable expenditure</b>					
	Staff costs	Staff time	59,951	28,802	88,753	30,300
	Staff pension	Staff time	4,435	2,345	6,780	1,392
	Staff training	Direct	1,259	1,222	2,481	1,557
	Launch costs	Direct	-	-	-	4,382
	External training provision	Direct	9,351	1,607	10,958	14,037
	Support costs (See below)	Direct	32,855	6,545	39,400	27,609
			<u>107,851</u>	<u>40,521</u>	<u>148,372</u>	<u>79,277</u>
	<b>Support costs:</b>					
	Staff costs	Staff time	9,237	-	9,237	5,308
	Staff pension	Staff time	602	-	602	233
	Recruitment	Direct	2,887	-	2,887	7,132
	Premises costs	Direct	4,120	-	4,120	3,929
	Insurance	Direct	1,122	-	1,122	1,102
	Office costs	Direct	2,755	1,869	4,624	2,416
	Phone & internet	Direct	1,702	156	1,858	3,406
	Website development	Direct	4,775	-	4,775	-
	IT & Office resources	Direct	479	1,957	2,436	115
	Travel & subsistence	Direct	1,404	2,107	3,511	1,656
	Subscriptions	Direct	195	-	195	112
	Payroll services	Direct	460	86	546	264
	Bank charges	Direct	83	-	83	-
	Sundry expenses	Direct	50	-	50	-
	Depreciation	Direct	2,984	370	3,354	1,936
			<u>32,855</u>	<u>6,545</u>	<u>39,400</u>	<u>27,609</u>
6	<b>Governance</b>	Basis of Allocation	Core activities £	Restricted activities £	2007 £	2006 £
	Staff costs	Staff time	2,688	-	2,688	1,511
	Staff pension	Staff time	209	-	209	70
	Board expenses	Direct	585	-	585	138
	Auditors remuneration					
	– Audit	Direct	1,763	-	1,763	1,469
	– Accounting	Direct	705	-	705	587
			<u>5,950</u>	<u>-</u>	<u>5,950</u>	<u>3,775</u>

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2007

#### 7 Net incoming resources for the year

	2007	2006
This is stated after charging:	£	£
Depreciation	3,354	1,833
Auditor's remuneration	<u>1,763</u>	<u>1,469</u>

#### 8 Staff costs and Trustees' remuneration

	2007	2006
	£	£
Salaries	91,056	33,509
Social security costs	9,622	3,610
Pension costs	<u>7,591</u>	<u>1,695</u>
	<u>108,269</u>	<u>38,814</u>

No trustee received any remuneration during the period. Three trustees received reimbursement of expenses totalling £81 (2006 – One Trustee totalling £138) for travelling to Board and other meetings during the period.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2007	2006
Chief Officer (Director)	1	1
Evaluation Support Officer	1	-
Training Officer	1	-
Administration	1	1

The employees of the charity were members of the charity's pension scheme. No contributions were outstanding at 31 March 2007 (2006 - £Nil).

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2007

9 Tangible Fixed Assets	Computer Equipment £	Office Furniture £	Total £
<b>Cost</b>			
At 1 April 2006	4,565	1,243	5,808
Additions	4,253	-	4,253
Disposals	-	-	-
	<u>8,818</u>	<u>1,243</u>	<u>10,061</u>
At 31 March 2007			
<b>Depreciation</b>			
At 1 April 2006	1,522	414	1,936
Charge for year	2,939	415	3,354
Disposals	-	-	-
	<u>4,461</u>	<u>829</u>	<u>5,290</u>
At 31 March 2007			
<b>Net Book Value at 31 March 2007</b>	<u>4,357</u>	<u>414</u>	<u>4,771</u>
<b>Net Book Value at 31 March 2006</b>	<u>3,043</u>	<u>829</u>	<u>3,872</u>
10 <b>Creditors</b>		2007 £	2006 £
Other taxes and social security costs		3,045	1,827
Other creditors		5,035	6,231
Accruals and deferred income		<u>7,288</u>	<u>2,056</u>
		<u>15,368</u>	<u>10,114</u>

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2007

#### 11 Funds

	At 31 March 2006 £	Incoming Resources £	Outgoing Resources £	At 31 March 2007 £
<b>Unrestricted Fund</b>				
General Funds	10,780	141,498	(113,801)	38,477
<b>Restricted Funds</b>				
Big Lottery Fund				
- Capital	2,000	-	(1,261)	739
- Revenue	93	39,916	(38,066)	1,943
Access to work	-	1,194	(1,194)	-
	<u>12,873</u>	<u>182,608</u>	<u>(154,322)</u>	<u>41,159</u>

#### ***General Funds - Voluntary Issues Unit***

This three year grant was provided by the Scottish Executive to cover the core costs of establishing and running Evaluation Support Scotland. Core costs include staff costs, office expenditure, volunteer costs, capital expenditure and other costs. 2007/08 is the final year of the current core funding grant award by the Scottish Executive.

Under the terms of the funding arrangement the charity may not dispose of any equipment purchased with grant funds within five years of the award being given without the prior written consent of the Scottish Ministers.

#### ***Big Lottery Fund***

This three year grant came from the National Lottery and will fully fund the delivery of direct support to voluntary organisations through the Evaluation Support Officer and covers staff costs, seminar and workshop costs and associated running costs including training, overheads and office equipment.

Under the terms and conditions of the grant, if any part of the grant is used to finance capital expenditure then the charity may not dispose of those assets without prior written consent. If any assets are sold, the charity may need to pay all or part of the grant money received, such an amount being in direct relation to the share of the project costs which was provided by the grant funding.

#### ***Access to Work***

This grant came from Jobcentre Plus to assist with the costs of special aids and equipment for a new employee. As the associated expenditure was below the charity's capitalisation policy and expensed, these have been offset in the Statement of Financial Activities.

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2007

#### 11 Analysis of net assets between funds

	Fixed Assets £	Current Assets £	Current Liabilities £	Total £
<b>Unrestricted Fund</b>				
General Funds	4,032	42,800	(8,355)	38,477
<b>Restricted Funds</b>				
Big Lottery Fund	<u>739</u>	<u>8,956</u>	<u>(7,013)</u>	<u>2,682</u>
	<u>4,771</u>	<u>51,756</u>	<u>(15,368)</u>	<u>41,159</u>