

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

**REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 March 2009**

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

# EVALUATION SUPPORT SCOTLAND

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## **EVALUATION SUPPORT SCOTLAND**

### **Legal and administrative information**

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**

Thorn House  
5 Rose Street  
Edinburgh  
EH2 2PR

### **Trustees**

John Arthur  
Mary Craig  
Martin Crewe (resigned 22 September 2008)  
Fraser Falconer - Convenor  
Dr Sam Gardner  
Marion Lacey (resigned 22 September 2008)  
Ewan Malcolm  
Professor Linda McKie  
Dr Nicola Richards – Treasurer from 17 November 2008  
Fiona Rogan (resigned 22 September 2008)  
Rev Jayne Scott (resigned 15 May 2009) - Treasurer until 17 November 2008  
Dr Sue Warner  
Keith Wimbles (appointed 22 September 2008)

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 staff at 31 March 2009**

Jennifer Challinor (Information and Marketing Officer- on maternity leave), Cecilia Corcoran (Finance and Administration Officer), Diane Kennedy (Evaluation Support Officer), Jacqueline McDowell, Evaluation Support Officer, Silvy Peeters (Policy and Development Officer), Graeme Reekie (Training and Support Officer), Priyanka Subhashree (Administration Assistant), Juliet Wilson (Information and Marketing Officer maternity cover)

### **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 2009**

The trustees of Evaluation Support Scotland (ESS), who are also directors for the purposes of company law, present their report and the audited financial statements for the period from 1 April 2008 to 31 March 2009.

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

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

Three trustees retired this year and one new trustee was recruited through open advert. A pack of materials including terms of reference for the board and a role description for individual trustees was provided to applicants. Applications are made by application form. A shortlist of candidates was 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. Trustees are normally appointed for 3 years and can serve a maximum of 6 years. A rota system for retirement is in place.

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

New trustees receive an induction pack and induction with the director (who is also the company secretary). An away day for trustees and staff took place in October 2008. The trustee handbook is updated annually. It incorporates good practice guidance from OSCR.

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

The board operates to terms of reference. The board conducts its business through regular meetings (every 2 months). 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. A working group of trustees was also formed to develop an income generation strategy.

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.

#### ***Alterations to the Articles of Association***

A special resolution to amend some of the Articles of Association relating to membership was approved at the AGM on 22 September. Companies House and the Office of the Scottish Charity Regulator were informed appropriately.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2009 (Continued)**

#### ***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 in May and the board receives regular reports on the management of significant risks.

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

#### **Objectives and activities**

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

ESS'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.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2009 (Continued)**

In order to deliver the charitable objects, ESS has developed a logic model. This is a validated model of planning and delivery which ensures a link between activities and outcomes. ESS'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.

ESS's 3 year strategic plan 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. This was the first year of our second three year plan.

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

ESS works with voluntary organisations and funders so that they can measure their impact, report on the difference they make and improve their services.

ESS's values that underpin its work are:

- To work openly and fairly and wherever possible in positive partnership with others.
- To be friendly and accessible and work in a way that meets people's different needs and abilities.
- 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 be wedded to one particular evaluation approach.
- To promote a culture of learning within ESS itself, including undertaking regular evaluations of our own work and learning from our successes and weaknesses.
- To seek to resolve tensions and conflict directly and collaboratively. If a specific issue arises which cannot be resolved by direct dialogue, the issue is referred to independent mediation.

## EVALUATION SUPPORT SCOTLAND

### Trustees' annual report for the year ended 31 March 2009 (Continued)

#### ***Outcomes and activities***

ESS's outcomes are as follows:

- Voluntary organisations and funders 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.

In order to achieve these outcomes, ESS:

- Builds the evaluation capability of voluntary organisations. We run workshops and tailored support so that organisations build evaluation into their day to day practice.
- Build a culture of evaluation and learning by tackling the barriers and promoting the learning about and from evaluation. We help funders improve their systems so that they can more easily gather evidence about the difference their funds are making. We take action to build evaluation and learning into policy-making processes.

#### **Main activities and achievements (*figures in italics are last year's comparisons*)**

ESS collects information about its work with clients on a database and in paper files. Progress towards ESS outcomes is measured using before and after assessments and client feedback. ESS also follows up workshop delegates and organisations who received 1-1 tailored support after their intervention to find out whether any changes have been sustained. We also conduct an online stakeholder survey every two years. The latest one was conducted in March 2009 and was completed by 187 people (a 23% response rate).

The following is a summary list of ESS's achievements:

1. Overall we provided evaluation support to 305 voluntary organisations (303). Evaluation support consisted of telephone or email enquiries, training and tailored support sessions for individual organisations.

## EVALUATION SUPPORT SCOTLAND

### Trustees' annual report for the year ended 31 March 2009 (Continued)

2. We worked in 31 local authority areas. The top 3 were Edinburgh, Glasgow and Dundee. The exception was Highland (a top local authority last year). The biggest growth areas were Aberdeen and Orkney.
3. We handled 167 enquiries by telephone or email (152\*).
4. We maintained our website of evaluation resources and a database of external consultants and produced 3 more support guides.
5. 398 people from 178 organisations attended an ESS workshop on different aspects of evaluation. (394 from 184 orgs). In total we ran 38 workshops (44). Our core programme contains 4 workshops on setting outcomes, collection information, visual approaches and analysing and reporting. We were commissioned to run core workshops for third parties, notably Dundee Fairer Scotland Fund, and we developed special workshops in relation to health and climate change. Over 90% of people on workshops said their skills and knowledge had increased. Those who responded to workshop feedback have put their learning into practice. 116 respondents to our stakeholder survey had attended workshops and said it has helped them increase their evaluation skills.
6. We delivered 175 tailored support sessions for 116 voluntary organisations (136 sessions for 102 organisations). 45 organisations got free support and 14 paid for it themselves. The rest had sessions paid for by others, most commonly Laidlaw Youth Trust. Around nine out of ten organisations receiving tailored support showed increased evaluation skills and knowledge. Most commonly they improved their evaluation systems.
7. This year was the first year of our strategic partnership with the Scottish Government's Third Sector Division. We participated in working groups and forums. We provided support to Government in their role as a funder. We shared learning from and about evaluation. We worked with Third Sector Division officials to share learning with wider Government about mainstreaming engagement with the third sector. The learning so far is that the strategic partnership gives both partners more credibility. We have a better understanding of how Government works which we can communicate to the other organisations in the sector.
8. We continued our partnership with the Laidlaw Youth Trust to deliver evaluation support to their funded organisations. We started a similar arrangement with the Wood Family Trust. Organisations received support on developing appropriate methods to collect information about the impact of their work. Organisations also generally improved the quality of reporting to LYT about the difference the funding had made to young people's lives.

## EVALUATION SUPPORT SCOTLAND

### Trustees' annual report for the year ended 31 March 2009 (Continued)

9. We worked with funders individually and through the Scotland Funders' Forum. We have raised awareness and understanding about good practice and helped some funders make concrete improvements to reduce unnecessary bureaucracy and focus evaluation and monitoring on learning. 76% of respondents in our stakeholder survey said we helped funders and funded organisations to understand each other better.
10. We helped the Lloyds TSB Foundation for Scotland redesign their application materials and develop an evaluation strategy to help them become more outcome focussed. The Foundation has harmonised its approach with other funders to minimise confusion in the voluntary sector.
11. Inspiring Scotland is a new fund that launched at the start of 2008. We provided training to the team and worked with them to develop an evaluation strategy. From the start of 2009 we began a new contract to provide support to funded organisations (known as ventures) and the IS staff. We ran introductory seminars which built understanding of the monitoring and evaluation requirements. We have started working with ventures to help them hone the planned outcomes of their project and put in place an evaluation plan.
12. We built confidence and understanding about outcomes and evaluation amongst the staff and recipients of the Dundee Fairer Scotland Fund. The Fund has started to gather evidence about the difference the funding makes and help them make decisions in the future.
13. We have made further progress in raising awareness and building understanding amongst funders and voluntary organisations about the advantages and challenges of joined up reporting. In particular we launched a report of a joint programme with BBC Children in Need, Laidlaw Youth Trust, Rank Foundation and the Robertson Trust to support an organisation they all funded – Gate – to produce a joined up report.
14. We ran workshops with the Sustainable Development Commission to pilot an approach to support newly funded projects from the Climate Challenge Fund. The workshops built participants' skills and understanding on how to measure the impact of their projects. The learning from the programme will feed into further support for the Fund in 2009/10.
15. We worked with NHS Health Scotland to building understanding about the impact of community and voluntary health improvement. We published a briefing paper and support guides and ran workshops for people funding or delivering health improvement in the voluntary sector. The work we did was popular and generated useful materials but we need to do more work to share learning and understanding more widely across health improvement funders and practitioners.

## EVALUATION SUPPORT SCOTLAND

### Trustees' annual report for the year ended 31 March 2009 (Continued)

16. We continued our partnership with Community Food and Health Scotland to build the capacity of local food projects and share learning about what works. A report was published that contains case studies of how local food projects applied their learning about self-evaluation internally to improve outcomes and processes. A second report contains self-evaluation reports from five local projects. Stage 3 is ongoing and involves looking at how to take the learning from the collaborative and use it to inform policy and decision making.
17. We continued to work with the Scottish Council for Voluntary Organisations to build an evaluation framework for the Supporting Voluntary Action programme. This programme is about improving the quality of services provided by councils for voluntary service. Progress has been slow but we have now got a good framework in place of clear outcomes, information systems and baseline evidence for the programme.
18. We received an overwhelming 'yes' in our stakeholder survey to the question "are we meeting a need?". Respondents told us we help them and their organisations to better measure their impact, report on the difference they make, and use the learning to improve their services. Other headlines from stakeholder survey include the following
  - 93% of respondents agreed that we demystify evaluation
  - 92% of respondents agreed that we helped people understand the importance of evaluation
  - 91% agreed that we help ensure evaluation is done better
  - 88% agreed that we help people to understand what works and why
  - 84% agreed that we helped ensure evaluation is relevant to service users
  - 78% agreed that we ensure people use evaluation to make better decisions

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2009 (Continued)**

#### **Financial review**

ESS's total incoming resources amounted to £290,743 in 2008/09 (2007/08 - £249,394). This consisted of:

- A core grant of £114,000 from the Scottish Government Third Sector Division.
- A grant of £49,303 from the Big Lottery Fund which is a restricted fund towards the cost of providing evaluation support to the voluntary sector. Of this £4,095 related to April 2009. A payment of £3,970 received in 2007/08 but relating to April 2008 was carried into this year. This means the total recognised income for 2008/09 was £49,178 (2007/08 - £47,515).
- Income earned from other charitable activities including training, contracts, donations and bank interest totalled £127,565 (2007/08 - £98,908).
- A donation of £5,000 from Accenture Scotland.

#### ***Value Added Tax***

ESS registered for VAT from 1 November 2007 and charges VAT on all its services.

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

ESS provides the following support for free:

- The helpdesk service (free telephone and email support)
- Website (free access to resources, support guides, case studies and so on)
- Taking part in working groups and partnerships to advance our outcomes.

ESS's grant income enables it to provide a basic time limited free service to voluntary organisations on a first come, first serve basis. 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. Some free follow up support is usually available.
- 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.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2009 (Continued)**

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

The Trustees revised their policy on free reserves at the board meeting on 16 March 2009. Trustees are now of the opinion that ESS should move towards holding free reserves (being unrestricted funds excluding fixed assets) of 6 months running costs by March 2011 (the end of current Government grant). Free reserves were £135,204 at 31 March 2009 (31 March 2008 - £91,168). ESS's budgeted expenditure for 2008/2009 is £277,447. This means that ESS now holds free reserves of effectively 6 months running costs. The Trustees believe this is prudent because the Big Lottery Fund grant will end in April 2009 and ESS will need to generate 60% of its income from short term contracts and fee income.

#### ***Designated funds***

The board designated a fund of £8,000 for planned expenditure on IT and Database development. This fund was not required in 2008/09 and the board resolved to release the fund into general reserves at its meeting on 15 May 2009.

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

A strategic plan for the period 2008 to 2011 is in place. The main activities for the coming year 2009/10 are as follows:

- Increase the evaluation capability of at least 300 voluntary organisations through workshops and tailored support.
- Continue the strategic partnership with Scottish Government to improve understanding of the contribution of the voluntary sector to Scotland's life.
- Work with Inspiring Scotland to support their funded organisations to develop and implement evaluation plans and to share learning.
- Deliver evaluation support accounts to other funders including Lloyds TSB Foundation for Scotland, Wood Family Trust and Scottish Arts Council to build capability and share learning about what works.
- Work local authorities, specifically Dundee and Midlothian, to build evaluation skills and understanding about the impact of Fairer Scotland funding.
- Work with SCVO to evaluate the impact of Support Voluntary Action Fund and share learning about and improve the effectiveness of capacity building.
- Work with intermediaries, including Community Food and Health Scotland and Learning Link Scotland to the evaluation capability and share learning from and about effective evaluation with their members and relevant funders and policy makers.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2009 (Continued)**

- Promote the Evaluation Declaration and health check and work with the Scotland Funders' Forum to streamline monitoring and evaluation requirements.
- Run a conference to share learning about and from evaluation.
- Continue to improve ESS's own monitoring and evaluation systems.

#### ***Future funding***

ESS secured core funding of £350,000 with the Scottish Government for 2008-2011. The funding is in the form of a strategic partnership.

A 3 year grant from the Big Lottery Fund ends at the end of April 2009 and will not be renewed.

An income generation strategy is in place to ensure ESS raises sufficient income to cover the running costs of delivering the strategic plan. The strategy is overseen by a sub group of nominated Trustees and reports on income generated against target are brought to each board meeting by the Director who has lead responsibility for implementing the income generation strategy.

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### ***Statement of Trustee's responsibilities***

The trustees (who are also directors of ESS for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company as at the balance sheet date and of its incoming resources and application of resources, including the net income or expenditure of the charitable company, for the year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2009 (Continued)**

#### ***Statement of Trustee's responsibilities (continued)***

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping 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 Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- (a) there is no relevant audit information of which the charitable company's auditors are unaware, and;
- (b) the trustees 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 auditors are aware of that information.

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.

#### **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 listed 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, John Arthur Fraser Falconer and Nicola Richards will stand down at the AGM in 2009. They are eligible for reappointment for a further 2 years.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2009 (Continued)**

#### **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 20 July 2009 and signed on their behalf by:

**Fraser Falconer**

Convenor

## **EVALUATION SUPPORT SCOTLAND**

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

We have audited the financial statements of Evaluation Support Scotland for the year ended 31 March 2009 on pages 16 to 26. 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 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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).

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 1985 and report to you in accordance with those Acts.

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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

We also report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with these 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 transactions with the charity 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.

## **EVALUATION SUPPORT SCOTLAND**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF EVALUATION SUPPORT SCOTLAND (Continued)**

#### **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.

#### **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 affairs of the charity as at 31 March 2009, 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; the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

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

20 July 2009

## EVALUATION SUPPORT SCOTLAND

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 March 2009

	Notes	Un- restricted £	Restricted £	Total 2009 £	Total 2008 £
<b>Incoming resources</b>					
<i>Incoming resources from charitable activities:</i>					
Grants	3	114,000	49,178	163,178	150,486
Training and project income	4	117,815	-	117,815	93,665
Other income		830	-	830	1,792
<i>Incoming resources from generated funds:</i>					
Donations		5,075	-	5,075	75
Bank interest		3,845	-	3,845	3,376
<b>Total incoming resources</b>		<u>241,565</u>	<u>49,178</u>	<u>290,743</u>	<u>249,394</u>
<b>Resources expended</b>					
Charitable activities	5	192,326	53,701	246,027	186,836
Goverance costs	6	<u>6,822</u>	<u>-</u>	<u>6,822</u>	<u>5,767</u>
<b>Total resources expended</b>		<u>199,148</u>	<u>53,701</u>	<u>252,849</u>	<u>192,603</u>
<b>Net movement in funds</b>		42,417	(4,523)	37,894	56,791
<b>Funds brought forward</b>		<u>93,360</u>	<u>4,590</u>	<u>97,950</u>	<u>41,159</u>
<b>Funds carried forward</b>		<u><u>135,777</u></u>	<u><u>67</u></u>	<u><u>135,844</u></u>	<u><u>97,950</u></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 2009

	Notes	2009 £	2008 £
<b>Fixed assets</b>	9	<u>740</u>	<u>2,897</u>
<b>Current assets</b>			
Bank & cash		126,414	128,837
Debtors	10	<u>31,229</u>	<u>10,388</u>
		157,643	139,225
<b>Creditors: Amounts falling due within one year</b>	11	<u>22,539</u>	<u>44,172</u>
<b>Net current assets</b>		<u>135,104</u>	<u>95,053</u>
<b>Net Assets</b>		<u>135,844</u>	<u>97,950</u>
<b>Unrestricted Funds</b>	12	127,777	85,360
<b>Designated Funds</b>	12	8,000	8,000
<b>Restricted Funds</b>			
Big Lottery Fund	12	<u>67</u>	<u>4,590</u>
<b>Total funds</b>		<u>135,844</u>	<u>97,950</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 20 July 2009 and signed on their behalf by:

**Fraser Falconer**

Trustee

**Dr Nicola Richards**

Trustee

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

#### 1. Accounting policies

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

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and applicable accounting standards. 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 registered for VAT from 1 November 2007 but expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- 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 2009

#### 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 & 6.

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

Tangible fixed assets are stated at cost less provision for diminution in value. Only assets costing more than £1,000 are capitalised. In 2008 and prior years assets costing £500 or more were 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. Unrestricted funds include designated funds where the directors have earmarked funds for a particular 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 2009 (2008 - £nil).

#### ***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.

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2009

#### 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.

	2009	2008
	£	£
<b>3 Grants</b>		
Voluntary Issues Unit grant – Core funding	114,000	100,777
Big Lottery Fund grant	49,178	47,515
Access to Work award	-	264
'In-kind' support from the Lloyds TSB Foundation for Scotland	-	1,930
	<u>163,178</u>	<u>150,486</u>

Evaluation Support Scotland received support in kind from the Lloyds TSB Foundation for Scotland for part of 2008 in the form of rent free office accommodation. The level of support recognised was calculated on the basis of floor space utilised.

	2009	2008
	£	£
<b>4 Other income from charitable activities</b>		
Training income	5,230	10,197
Income from workshops	6,816	5,462
Conference fees	-	2,080
Income from contracts	97,775	59,216
Communities Scotland SCR contract	-	6,084
Support income	7,994	10,626
	<u>117,815</u>	<u>93,665</u>

# EVALUATION SUPPORT SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

for the year ended 31 March 2009

5	<b>Cost of charitable activities</b>	Basis of Allocation	Core Activities £	Restricted Activities £	2009 £	2008 £
	<b>Direct charitable expenditure</b>					
	Staff costs	Staff time	123,756	34,008	157,764	117,656
	Staff pension	Staff time	9,933	2,769	12,702	9,630
	Staff training	Direct	4,203	415	4,618	1,048
	External training provision	Direct	1,831	3,448	5,279	8,848
	Management charge	Direct	(4,060)	4,060	-	-
	Support costs (See below)	Direct	56,663	9,001	65,664	49,654
			<u>192,326</u>	<u>53,701</u>	<u>246,027</u>	<u>186,836</u>
	<b>Support costs:</b>					
	Staff costs	Staff time	16,170	-	16,170	11,294
	Staff pension	Staff time	950	-	950	927
	Recruitment	Direct	4,603	-	4,603	3,221
	Insurance	Direct	759	-	759	1,107
	Office costs	Direct	18,805	4,853	23,658	18,762
	Phone & internet	Direct	126	230	356	527
	Website development	Direct	5,074	420	5,494	2,607
	IT & Office resources	Direct	2,800	769	3,569	393
	Travel & subsistence	Direct	2,157	2,619	4,776	5,298
	Subscriptions	Direct	318	-	318	405
	Professional services	Direct	492	110	602	887
	Bookkeeping costs	Direct	2,196	-	2,196	-
	Bank charges	Direct	36	-	36	80
	Sundry expenses	Direct	20	-	20	53
	Depreciation	Direct	2,157	-	2,157	4,093
			<u>56,663</u>	<u>9,001</u>	<u>65,664</u>	<u>49,654</u>
6	<b>Governance</b>	Basis of Allocation	Core Activities £	Restricted Activities £	2009 £	2008 £
	Staff costs	Staff time	3,140	-	3,140	2,827
	Staff pension	Staff time	254	-	254	229
	Board expenses	Direct	637	-	637	320
	Trustee Indemnity					
	Insurance	Direct	291	-	291	291
	Auditors remuneration					
	– Audit	Direct	1,775	-	1,775	1,491
	– Accounting	Direct	725	-	725	609
			<u>6,822</u>	<u>-</u>	<u>6,822</u>	<u>5,767</u>

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2009

#### 7 Net incoming resources for the year

	2009	2008
This is stated after charging:	£	£
Depreciation	2,157	4,093
Auditor's remuneration	2,500	2,100
	<u>2,157</u>	<u>4,093</u>
	<u>2,500</u>	<u>2,100</u>

#### 8 Staff costs and Trustees' remuneration

	2009	2008
	£	£
Salaries	160,962	119,622
Social security costs	16,112	12,155
Pension costs	13,906	10,786
	<u>160,962</u>	<u>119,622</u>
	<u>16,112</u>	<u>12,155</u>
	<u>13,906</u>	<u>10,786</u>
	<u>190,980</u>	<u>142,563</u>

No trustee received any remuneration during the period. One trustee received reimbursement of expenses totalling £75 (2008 - Two trustees totalling £30) for travelling to Board and other meetings during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2008 - None).

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

	2009	2008
Chief Officer (Director)	1.0	1.0
Development Officers	3.4	2.2
Administration	1.4	1.0
Total	<u>5.8</u>	<u>4.2</u>
	<u>11.6</u>	<u>8.4</u>

The employees of the charity were members of the charity's pension scheme. No contributions were outstanding at 31 March 2009 (2008 - £ Nil).

# EVALUATION SUPPORT SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2009

9	<b>Tangible Fixed Assets</b>	Computer Equipment £	Office Furniture £	Total £
	<b>Cost</b>			
	At 1 April 2008	10,535	502	11,037
	Additions	-	-	-
	Disposals	-	-	-
		<hr/>	<hr/>	<hr/>
	At 31 March 2009	<u>10,535</u>	<u>502</u>	<u>11,037</u>
	<b>Depreciation</b>			
	At 1 April 2008	7,972	168	8,140
	Charge for year	1,990	167	2,157
	Disposals	-	-	-
		<hr/>	<hr/>	<hr/>
	At 31 March 2009	<u>9,962</u>	<u>335</u>	<u>10,297</u>
	<b>Net Book Value at 31 March 2009</b>	<u>573</u>	<u>167</u>	<u>740</u>
	<b>Net Book Value at 31 March 2008</b>	<u>2,563</u>	<u>334</u>	<u>2,897</u>
10	<b>Debtors</b>		2009 £	2008 £
	Trade debtors		30,642	9,975
	Prepayments		<u>587</u>	<u>413</u>
			<hr/>	<hr/>
			<u>31,229</u>	<u>10,388</u>
11	<b>Creditors</b>		2009 £	2008 £
	Other taxes and social security costs		9,433	9,482
	Other creditors		120	91
	Accruals		6,371	3,427
	Deferred income		<u>6,615</u>	<u>31,172</u>
			<hr/>	<hr/>
			<u>22,539</u>	<u>44,172</u>

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2009

<b>11 Creditors (continued)</b>	2009	2008
	£	£
Movement in deferred income in year		
Brought forward	31,172	4,909
Released in the year	(31,172)	(4,909)
Deferred in the year	<u>6,615</u>	<u>31,172</u>
	<u>6,615</u>	<u>31,172</u>

Deferred income comprises grants and workshop income received in advance. The deferred income released in the year was comprised of similar amounts plus service contracts, in particular a project with NHS Health Scotland of which £14,250 was deferred in 2008.

### 12 Funds

	At 31 March 2008 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2009 £
<b>Unrestricted Fund</b>					
General Funds	85,360	241,565	199,148	-	127,777
Designated Funds					
- IT and Database development	8,000	-	-	-	8,000
<b>Restricted Funds</b>					
Big Lottery Fund					
- Capital	569	200	769	-	-
- Revenue	4,021	48,978	52,932	-	67
	<u>97,950</u>	<u>290,743</u>	<u>252,849</u>	<u>-</u>	<u>135,844</u>

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2009

#### 12 Funds (continued)

##### ***General Funds – Third Sector Division***

This three year grant was provided by the Scottish Government to cover the core costs of running Evaluation Support Scotland. Core costs include staff costs, office expenditure, volunteer costs, capital expenditure and other costs. 2008/09 is the first year of the current core funding grant award by the Scottish Government.

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, where the equipment has a minimum value of £1,000.

##### ***Designated Funds – IT Funds***

The Board of Directors has designated a fund of £8,000 for planned expenditure on IT and database development. This fund was not required in 2008/09 and the board resolved to release the fund into general reserves subsequent to the year end at its meeting on 15 May 2009.

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

This three year grant came from the Big Lottery Fund and will fully fund the delivery of direct support to voluntary organisations 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.

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2009

#### 13 Analysis of net assets between funds

	Fixed Assets £	Current Assets £	Current Liabilities £	Total £
<b>Unrestricted Fund</b>				
General Funds	573	145,648	(18,444)	127,777
Designated Funds	-	8,000	-	8,000
<b>Restricted Funds</b>				
Big Lottery Fund	167	3,995	(4,095)	67
	<u>740</u>	<u>157,643</u>	<u>(22,539)</u>	<u>135,844</u>