

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

**REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 March 2014**

**Scottish 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 and Principal Address**

Thorn House  
5 Rose Street  
Edinburgh  
EH2 2PR

### **Trustees**

Kirsten Hogg – Convenor	
Lindsay Robertson – Treasurer	(appointed 13 May 2013)
Patrick Boase	(resigned 16 September 2013)
Emma Crawshaw	
Dr. Samuel Gardner	(resigned 16 September 2013)
Prof. Gillian Hogg	(resigned 04 April 2014)
Lynne Irons	(appointed 16 September 2013)
Dr. Anita Morrison	
Rev. Barbara O'Donnell	(resigned 16 September 2013)
Prof. Stephen Platt	(appointed 16 September 2013)
Linda Rodgers	(appointed 16 September 2013)
Stephanie Rose	(appointed 16 September 2013)
Jennifer Wallace	
Diana Wilkinson	
Keith Wimbles	

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: (known as Director)**

Steven Marwick

### **Independent Examiner**

Michael Crerar CA  
Geoghegans  
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 2014**

The trustees of Evaluation Support Scotland (ESS), who are also directors for the purposes of company law, present their report and the financial statements for the period from 1 April 2013 to 31 March 2014.

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

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

Three trustees retired this year (and a fourth in April 2014). Five new trustees were appointed through an open recruitment process. Potential new trustees received an application pack. They completed an application form and were interviewed by a Trustee subcommittee. The board appointed those who had the best fit with the skills set out in the role description. The board ensures 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 and other Trustees. 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 (2 months). The board met 6 times throughout the year and had an away day. The board's two standing committees are Finance and Human Resources. A short life working group oversaw the trustee recruitment process referred to above and a strategic plan sub group was established.

Trustees follow a conflicts of interest policy. A register of interest is held and regularly reviewed. Interests are declared at the start of each board meeting.

The Convenor led a governance review this year. This concluded that trustees are able make sound decisions and fulfil their responsibilities. A small number of minor changes to procedures have been implemented following the review.

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

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2014 (continued)**

#### **Objectives and activities**

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

ESS's charitable objects are as follows:

1. To promote the effectiveness and efficiency of charities and of the voluntary sector by promoting learning about evaluation and the results of evaluation as a process which can be used to improve the delivery of services for the public benefit 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 evaluation and improvement of services;
  - (ii) to provide advice and support to 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 those in need by reason of youth, old age, unemployment, disability, health or social problems or other disadvantage and further including, without prejudice to the generality, those living in disadvantaged neighbourhoods and minority ethnic communities;
  - (iv) to improve the delivery of services for the public benefit by encouraging funders, voluntary organisations and others to work together to reduce bureaucracy and to implement learning about effective service delivery;
  - (v) to encourage Government and other organisations 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.

The need for ESS was established through research and consultation before we were set up in 2005. We have continued to consult charities and other stakeholders since then and have incorporated learning into our work from recent research. There remains an evaluation skills gap in voluntary organisations, funders and the public sector. There is also a need to capture the learning from voluntary organisations and use it to inform policy and practice for both Government and the voluntary sector.

During the period of this report we were operating under the first year of a 2 year strategic plan for 2013-15. We have an annual work plan for the organisation and for individual staff.

## EVALUATION SUPPORT SCOTLAND

### Trustees' annual report for the year ended 31 March 2014 (continued)

#### *Mission and values*

ESS works with voluntary organisations and funders so that they can measure and report on their impact and use learning to improve policy and practice.

We promote self-evaluation. By learning how to evaluate their own activity, organisations discover what works and what doesn't and can make use of that learning. We believe evaluation should be valuable, relevant and proportionate.

What this means is that evaluation should:

- Generate learning to improve policy, practice and service design.
- Tell us what doesn't work as well as what does.
- Be built into the way people and organisations work: evaluation is part of practice and practice is part of evaluation.
- Be for everyone – all sizes and types of organisation can improve their self-evaluation and engage the people they work with in evaluation.
- Be supported – organisations should have access to training and support to build their skills.

Our operating values are that:

- We are accessible. We use plain English. We are friendly. We work in a way that meets people's different needs and abilities.
- We leave organisations with the skills to continue evaluating and learning once ESS support has finished.
- We work in positive partnership with others, sharing our expertise and learning and adding value to the expertise of others.
- Our focus is on outcomes. But we do not promote a single evaluation tool. And we use different and creative ways to engage people in evaluation.
- We promote a culture of learning within ESS, including seeking feedback from everyone we work with so we learn from our successes and weaknesses and get better at what we do.

Our **outcomes** are that voluntary organisations, funders and policy makers ...

1. Have better skills, knowledge and confidence on (self) evaluation
2. Have better systems for evaluation
3. Have better evidence for reporting and learning
4. Act on learning from evaluation to do things better
5. Meet needs more effectively or improve services.

## EVALUATION SUPPORT SCOTLAND

Trustees' annual report for the year ended 31 March 2014 (continued)

### Main activities and achievements in 2013-14

We worked with 521 organisations of which 431 were voluntary organisations and the rest were funders or public sector (last year 394 organisations; 342 voluntary sector). The table below gives a breakdown of specific activities.

	<b>This year</b>	<b>12/13</b>
Number of workshops and learning events	102	63
Total organisations whose staff came to workshops	428	247
Number of workshop / event participants <sup>1</sup>	1341	665
Total participants from voluntary organisations	1120	570
Number of <u>people</u> attending workshops (unique)	835	484
Number voluntary orgs receiving tailored support <sup>2</sup>	64	96
Number of funders receiving tailored support	8	12
Total number of tailored support sessions	105	205
Number organisations involved in learning sets <sup>3</sup>	51	48
Number of learning set participants (unique)	68	56
Short enquiries answered by phone or email	137	137

We continued to maintain and improve our website and issued newsletters.

### Workshops

#### ➤ What did we do?

We ran more workshops and events than ever before. This was a mix of our core workshop programme, workshops commissioned by a funder or individual organisation and special events. We began a "Train the Trainer" pilot.

#### ➤ What difference did we make?

98% of workshop participants reported improvements in their learning in relation to workshop outcomes. Here is some example feedback:

*"Good practical examples which gave me plenty of food for thought and will be taking a systematic approach to analysing and reporting on outcomes."*

*"There have been some major shifts in how we view evaluation, and actually how we view our projects and organisation."*

<sup>1</sup> Some people attend more than one workshop

<sup>2</sup> Tailored support is a facilitated session for staff in a single organisation

<sup>3</sup> We usually run learning sets as part of a thematic learning programme. Organisations build their evaluation skills and contribute to an understanding of voluntary sector impact in a particular field.

## **EVALUATION SUPPORT SCOTLAND**

**Trustees' annual report for the year ended 31 March 2014 (continued)**

**Main activities and achievements in 2013-14 (continued)**

*"Excellent training, now feel much more positive and informed about reporting evaluation to funders."*

### **Evaluation Support Accounts**

#### **➤ What did we do?**

An Evaluation Support Account (ESA) is when a funder pays for funded organisations to receive a package of evaluation support. In 2013/14 we ran 9 ESAs with Lloyds TSB Foundation for Scotland, Comic Relief's Home and Away, The Robertson Trust's Thinking Differently, Health and Social Care Alliance's Self Management Impact Fund, Inspiring Scotland's Link Up, Paul Hamlyn Foundation, Community Food and Health Scotland, Climate Challenge Fund and Creative Scotland ArtWorks. There was also a support account element in some thematic learning programmes.

#### **➤ What difference did we make?**

Where the funder has had support accounts with us, they consistently get improved reporting as a result of our support. Other example evidence is as follows:

Example evidence from Lloyds TSB Foundation for Scotland ESA:

- All charities that attended workshops reported an increase in skills and confidence as a result of the workshop.
- Of 21 charities whose support ended in the last 12 months, we have evidence of positive impact to 11 charities and a small difference to 2 others. With the remaining 8 we are still waiting for feedback.

*"The course helped me and my colleagues to have more understanding of how to evaluate our work and to be better at selling it to funders."*

*"... Discovering new ways to tell our stories, to share our journey has allowed us to better capture the impact we have on those who participate in our services."*

Example evidence from the Self-management fund ESA:

- A comparison of baseline and follow-up scores from workshop participants show that the learning outcomes were met.

*"Everything was explained really clearly and simply. I have always felt worried about getting evaluation right - but now I feel much more confident!"*



## EVALUATION SUPPORT SCOTLAND

### Trustees' annual report for the year ended 31 March 2014 (continued)

#### Main activities and achievements in 2013-14 (continued)

- We helped to improve understanding between funders and funded.  
*"I am more confident in talking to funders about projects."*  
*"Really improved my understanding of what funders want."*
- Feedback from the Grants and Impact Officer supports this analysis:  
*"I have observed increased confidence amongst the projects in embedding evaluation within their work and have been impressed by some of the tools the projects are using to evaluate their outcomes. ... I am also really encouraged by the quality of the reports we have received so far."*

#### Example from Inspiring Scotland Link Up:

- We enabled workers (and in some cases volunteers) to identify what evaluation approaches would work for them and their projects. Reporting on the whole was excellent with a broad mix of kinds of evidence from multiple sources.  
*"I've always thought of evaluation as this big scary complicated thing but doing it this way makes it simple."*

### Thematic Learning Programmes

A thematic learning programme (TLP) involves working with practitioners from the same subject field to help them explain, measure or proving the difference they make. A TLP creates learning that can be used by others.

#### ➤ What did we do?

**Support in the Right Direction** is a three year programme (2012-15) funded by Scottish Government. The programme builds understanding of the outcomes of Independent Support for Self-Directed Support (SDS) and how to evaluate them. This year:

- We finalised and launched an outcomes framework.
- We supported Scottish Government to assess the quality of reports. This allowed Government to give feedback to all the funded organisations.
- We ran evaluation workshops.
- We ran a learning set to look at different evaluation methods. Each learning set member chose a different method to try out and wrote a case study. These case studies were published in March.
- We ran a learning set on involving services users in evaluation. The result was a draft workbook which has been distributed to all funded widely for comments. The final version will help projects plan why, when and how to involve the people they work with in evaluation.

## EVALUATION SUPPORT SCOTLAND

### Trustees' annual report for the year ended 31 March 2014 (continued)

#### Main activities and achievements in 2013-14 (continued)

- We ran 3 events: to launch the outcomes framework, to share learning about outcomes reporting, and to share learning about involving users in evaluation.

#### ➤ What difference did we make?

We have evidence that organisations that received evaluation training are better able to collect and report on the difference they make to people's lives. Scottish Government has been able to assess outcomes focused reports from funded organisations and give feedback. There is some evidence that the outcomes framework and reports are helping policy-makers and funders understand the needs of people entitled to SDS and how to meet those needs.

Other TLPs were as follows:

**A Stitch in Time:** This runs from October 2012 to March 2015 and is about explaining, measuring and providing the third sector contribution to reshaping care for older people. This year we facilitated with a number of working groups to establish models that explain how the third sector contributes to older people's wellbeing. We have produced an overall model and more detailed models, for example around transport, day care and befriending. We are using these models to think about evaluation methods and to identify formal evidence to confirm or challenge our assertions. We have also been working with staff in local authorities administering the Change Fund (special funding to support this agenda) on how they can collect and make use of self-evaluation evidence from third sector organisations. There will be an overall report at the end of next year.

**Violence Against Women:** this was the first year of a 2 year programme with Voluntary Action Fund (VAF). VAF runs, on behalf of Scottish Government, the Violence Against Women fund for 130 projects. We ran evaluation workshops and we facilitated a working group of funded organisations to coproduce a new reporting template. This is already leading to more relevant and useful reporting by organisations.

We also launched the reports and support material from two of last year's TLPs: *Short Breaks Fund: Think Tank* and *Reversing the Trend* (the contribution of youth work to reducing problem substance misuse).

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2014 (continued)**

#### **Main activities and achievements in 2013-14 (continued)**

##### **Funder impact seminars**

###### **➤ What did we do?**

We ran 3 thematic seminars for funders on "Influencing practice" "Funding collaboratively" and "Funders give more than money". Our "Shifting A Gear" event brought together the key points from all the seminars (this year and last) and identified actions to take to improve funding practice and encourage joined-up working in the funding sector.

###### **➤ What difference did we make?**

Funders expressed their appreciation at having a safe space to learn together.

*"Enjoy the space to chat and hear other folks challenged"*

*"This has been the most useful event I've attended since I came into post"*

*"Coming together is great C.P.D. Cannot get this anywhere else"*

##### **Scottish Government partnership**

###### **➤ What did we do?**

- We led the Knowledge Translation Network (KTN). We carried out interviews and desk-based research and produced "Evidence for Success: The guide to getting evidence and using it", with tips and additional resources to support evidence use. The guide should launch in June 2014.
- We co-facilitated the Third Sector Prevention Roundtable. Through our contribution we: (a) contributed to the Scottish Government Advisory Group on Prevention and (b) shared learning from our own prevention programmes.
- We chaired and co-led the secretariat for the Third Sector Research Forum. The Forum set up three subgroups to work on evidencing the contribution of the third sector to: 1) Health of the Third Sector 2) Partnership, personalisation and people, with a focus on co-production and 3) Volunteering and employability
- We produced, with Third Sector Unit, a toolkit for officials with funding responsibilities. This helps them manage relationships with funded projects and know how to review their fund (if they want to). We ran a toolkit seminar for officials.
- We co-delivered 2 learning event with SG Justice Analytical Services (JAS) to generate cross sector learning about evidence use and evaluation in criminal justice.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2014 (continued)**

#### **Main activities and achievements in 2013-14 (continued)**

- We attended a number of meetings, responded to consultations and spoke at conferences. This included the Centre for Research on Families and Relationships conference about measurement and evaluation in early years; and Education Scotland's conference on evaluating strategic funding partnerships.

#### **➤ What difference did we make?**

- Scottish Government has made use of ESS learning in its own guidance on evaluating prevention. We have played a part in generating improved understanding of prevention through the Roundtable.
- We have influenced Scottish Government approaches to evaluation and evidence use across a range of programmes.
- We contributed to improving understanding about how to embed an outcome focused approach in the delivery of public services.

*"Very useful workshop. I feel equipped to take forward reviews of our grant organisations and use the tools to improve on managing our relationships and achieving focused outcomes to assist in policy-making and delivery."*

#### **Inspiring Impact**

Inspiring Impact is a UK-wide programme that aims to change the way the UK voluntary sector thinks about impact. The programme is managed and delivered by eight organisations, including ESS. This year some of the funding covered our funder impact seminars. We also:

- Delivered two Inspiring Impact 'champions' network events.
- Wrote two reports on "How charities report to funders" and "How funders measure their own impact".
- Contributed to the creation and testing of products by other partners.

#### **Tailored support**

##### **➤ What did we do?**

72 organisations received 105 sessions of 1-1 tailored support. This happened mostly as part of evaluation support accounts and thematic learning programmes but a quarter of sessions were paid for by the organisation. Most organisations get help with indicators and methods.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2014 (continued)**

#### **Main activities and achievements in 2013-14 (continued)**

##### **➤ What difference did we make?**

Just under 9/10 charities can provide evidence of improving the way they work thanks to our support. Here is example evidence of the difference we made:

*"We are definitely in a much better place now and everyone is thinking more systematically about evaluation and what they need to have in place to monitor and evaluate their work. It's also much clearer to everyone about how their work fits into the bigger picture"*

*We found the support from ESS very clear and effective... it helped us to reflect on what we are trying to achieve and how best to measure it in a clear and simple way."*

*"You made evaluation interesting, gave us food for thought and have given a whole new slant on reporting to funders."*

#### **Financial review**

ESS's total incoming resources were £394,900 in 2013/14 (2012/13 - £296,059). This consisted of:

- A grant of £80,000 from the Scottish Government Third Sector Division (2012/13 - £80,000).
- Funding of £101,049 from the Scottish Government for "A Stitch in Time" to explain and evaluate the contribution of the voluntary sector to care for older people (2012/13: £59,784).
- A grant of £15,000 via New Philanthropy Capital for ESS's involvement in the UK-wide Inspiring Impact programme (2012/13: £20,000).
- A grant of £24,000 from The Robertson Trust for a Funder Learning Programme (2012/13 - £nil)
- A grant of £500 from Skills Development Scotland that paid for IT training (2012/13 - £nil)
- Income earned from other charitable activities including training, contracts and bank interest totalling £174,351 (2012/13: £136,275)

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2014 (continued)**

#### **Financial review (continued)**

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

- A charge is made for attending workshops to cover the salary of the trainer and administration and venue costs.
- Organisations receiving tailored support are usually charged a daily rate to cover the staff and administration costs of the providing service.
- Services for funders including direct support and the provision of bespoke evaluation support for their funded organisations are charged at a daily rate to cover salaries and administration costs.

We provided free support to just over 110 organisations, mainly through phone and email, and provided free access to resources and guides on our websites.

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

The Trustees are of the opinion that given the current uncertain economic climate, Evaluation Support Scotland should work, over the next few years, towards holding free reserves (being unrestricted funds excluding fixed assets) of 6 months' running costs. Free reserves were £127,202 at 31 March 2014 (31 March 2013 - £119,401). This represents just over 4 month's running costs at current expenditure levels.

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

In 2012/13 the board designated £16,000 for development projects to improve our understanding of our own longer term impact and to scope the future needs from voluntary organisations and funders for evaluation support. We took time in 2013/14 to plan the exact use of these funds. A specification for a new internal database to improve the storage of our own monitoring and evaluation data was drawn up, tenders invited for the work and a contract was let in May 2014. The remaining £4,000 will be used for a research project. We anticipate that all designated funds will be spent in 2014/15.

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

A strategic plan is in place for 2013-15. The main activities for 2014/15 are:

1. Increase the ability of at least 300 voluntary organisations to measure and report on the outcomes of their work through tailored support and workshops.
2. Deliver a funder learning programme in partnership with the Robertson Trust.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2014 (continued)**

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

3. Continue to deliver existing and new Evaluation Support Accounts (ESAs) to improve reporting to funders and enable voluntary organisation to increase their capacity to measure and report on their impact.
4. Refresh the 'Harmonising Reporting' good practice to make it more accessible to funders and voluntary organisations and continue to collect positive case studies of its impact.
5. Successfully complete and disseminate in 2014/15 the following thematic learning programmes to share learning about how to explain, measure and prove the voluntary sector's impact:
  - *Support in the Right Direction*: evaluation of independent support
  - *A Stitch in Time*: the contribution of the third sector to reshaping care for older people
  - *Violence Against Women* outcomes framework
6. Deliver new thematic learning programme on the impact of advice work and begin a new thematic learning programme on the voluntary sector's contribution to families affected by imprisonment.
7. Lead Inspiring Impact in Scotland, which includes bringing together evaluation champions from across the voluntary and other sectors and promoting the UK wide Inspiring Impact products to Scotland organisations.
8. Deliver on our work programme for Scottish Government. This includes leading the Knowledge Translation Network, chairing and supporting the secretariat for the Third Sector Research Forum, contributing to working groups on prevention and supporting the Scottish Government's to embed evaluation good practice in its role as a funder.
9. Improve our internal capacity and sustainability by raising funds for the period from April 2015 and delivering the development projects referred to in the designated funds section.
10. Recruit new trustees and continue to ensure good governance.

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

ESS has a three year grant of £80,000 per year from the Scottish Government for the period 2012-2015. Other evaluation support contracts and grants are in place or anticipated to cover our all our costs in 2014/15. During 2014 we will undertake proactive income generation and fundraising actions to raise funds for the period from April 2015 and the board will receive a report at each meeting.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2014 (continued)**

#### ***Trustees' responsibilities statement***

The trustees (who are also directors of Evaluation Support Scotland for the purposes of company law) are responsible for preparing the Trustees' annual 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 state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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;
- 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 operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **EVALUATION SUPPORT SCOTLAND**

**Trustees' annual report for the year ended 31 March 2014 (continued)**

### ***Trustees' responsibilities statement (continued)***

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of trustees on 21 July 2014 and signed on their behalf by:



**Lindsay Robertson**  
Treasurer

## **EVALUATION SUPPORT SCOTLAND**

### **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EVALUATION SUPPORT SCOTLAND**

I report on the financial statements of the charitable company for the year ended 31 March 2014 which are set out on pages 20 to 28.

#### **Respective responsibilities of trustees and examiner**

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

#### **Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the 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 by the financial statements.

#### **Independent examiner's statement**

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

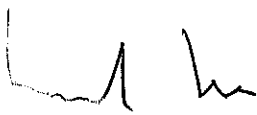
- 1 which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;

have not been met; or

**EVALUATION SUPPORT SCOTLAND**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES  
OF EVALUATION SUPPORT SCOTLAND (CONTINUED)**

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



**Michael Crerar CA**  
Independent Examiner

21 July 2014

Geoghegans  
Chartered Accountants  
6 St Colme Street  
Edinburgh EH3 6AD

## EVALUATION SUPPORT SCOTLAND

### STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 March 2014

	Notes	Un- restricted £	Restricted £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Donations		1,083	-	1,083	616
Bank interest		1,795	-	1,795	2,075
Meeting room lets		470	-	470	400
<i>Incoming resources from charitable activities:</i>					
Grants	3	80,000	39,500	119,500	100,000
Training and project income	4	171,003	101,049	272,052	192,968
<b>Total incoming resources</b>		<u>254,351</u>	<u>140,549</u>	<u>394,900</u>	<u>296,059</u>
<b>Resources expended</b>					
Charitable activities	5	234,711	123,792	358,503	273,086
Governance costs	6	11,839	-	11,839	10,488
<b>Total resources expended</b>		<u>246,550</u>	<u>123,792</u>	<u>370,342</u>	<u>283,574</u>
<b>Net income/(expenditure) for the year</b>		7,801	16,757	24,558	12,485
<b>Funds brought forward</b>		<u>135,401</u>	<u>6,795</u>	<u>142,196</u>	<u>129,711</u>
<b>Funds carried forward</b>	12	<u>143,202</u>	<u>23,552</u>	<u>166,754</u>	<u>142,196</u>

# EVALUATION SUPPORT SCOTLAND

## BALANCE SHEET At 31 March 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>	9	-	-
<b>Current assets</b>			
Debtors	10	58,484	41,008
Bank & cash		220,512	201,659
		<u>278,996</u>	<u>242,667</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(112,242)</u>	<u>(100,471)</u>
<b>Net current assets</b>		<u>166,754</u>	<u>142,196</u>
<b>Net Assets</b>		<u>166,754</u>	<u>142,196</u>
<b>Unrestricted Funds</b>			
<b>General Funds</b>	12	127,202	119,401
<b>Designated Funds</b>	12	16,000	16,000
<b>Restricted Funds</b>	12	<u>23,552</u>	<u>6,795</u>
<b>Total funds</b>		<u>166,754</u>	<u>142,196</u>

For the year ending 31 March 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved and authorised for issue by the trustees on 21 July 2014 and signed on their behalf by:



**Kirsten Hogg**  
Trustee



**Lindsay Robertson**  
Trustee

**Company Registration No: SC284843**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2014**

**1. Accounting policies**

***Basis of accounting***

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, Charities Accounts (Scotland) Regulations 2006 (as amended), 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 which 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2014**

**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.

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 The Pensions Trust. The charge in the financial statements represents the contributions payable by the charitable company for the period.

***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 charitable company.

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

#### 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.

	2014	2013
	£	£
<b>3 Grants</b>		
Scottish Government grant – Core funding	80,000	80,000
Skills Development grant	500	-
Robertson Trust – Funder Learning programme	24,000	-
New Philanthropy Capital – Inspiring Impact grant	15,000	20,000
	<u>119,500</u>	<u>100,000</u>

	2014	2013
	£	£
<b>4 Other income from charitable activities</b>		
Training income	19,135	11,252
Income from workshops	7,365	5,070
Income from contracts	134,383	105,912
Income from contracts – Stitch in Time	101,049	59,784
Support income	10,120	10,950
	<u>272,052</u>	<u>192,968</u>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2014**

5 <b>Cost of charitable activities</b>	Basis of Allocation	Core Activities £	Restricted Activities £	2014 £	2013 £
<b>Charitable expenditure</b>					
Staff costs	Staff time	138,031	67,861	205,892	141,676
Staff pension	Staff time	8,518	4,592	13,110	10,777
Staff training	Direct	2,952	500	3,452	1,286
External training provision	Direct	7,781	4,939	12,720	7,590
Consultancy	Direct	5,632	32,580	38,212	31,450
Support costs (See below)	See below	71,797	13,320	85,117	80,307
		<u>234,711</u>	<u>123,792</u>	<u>358,503</u>	<u>273,086</u>
<b>Support costs:</b>					
Staff costs	Staff time	30,213	-	30,213	27,729
Staff pension	Staff time	438	-	438	372
Recruitment	Direct	1,400	-	1,400	1,218
Insurance	Direct	706	-	706	698
Office costs	Direct	25,895	12,505	38,400	28,382
Phone & internet	Direct	117	-	117	148
Website development	Direct	6,026	499	6,525	16,043
Travel & subsistence	Direct	4,405	316	4,721	3,718
Subscriptions	Direct	876	-	876	710
Professional services	Direct	1,721	-	1,721	1,289
		<u>71,797</u>	<u>13,320</u>	<u>85,117</u>	<u>80,307</u>
<b>6 Governance</b>					
	Basis of Allocation	Core Activities £	Restricted Activities £	2014 £	2013 £
Staff costs	Staff time	7,253	-	7,253	6,434
Staff pension	Staff time	545	-	545	508
Board expenses	Direct	1,776	-	1,776	1,078
Trustee Indemnity					
Insurance	Direct	265	-	265	318
Independent examination	Direct	1,150	-	1,150	1,150
Accounting and consultancy fees	Direct	850	-	850	1,000
		<u>11,839</u>	<u>-</u>	<u>11,839</u>	<u>10,488</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2014**

**7 Net incoming resources for the year**

	2014	2013
	£	£
This is stated after charging:		
Independent examiner's remuneration – Independent examination	1,150	1,150
– Other services	<u>850</u>	<u>1,000</u>

**8 Staff costs and trustees' remuneration**

	2014	2013
	£	£
Gross salaries	221,743	159,799
Social security costs	21,615	16,040
Pension costs	<u>14,093</u>	<u>11,657</u>
<b>Total staff costs</b>	<u><b>257,451</b></u>	<u><b>187,496</b></u>

No trustees received any remuneration during the current or prior year. Six trustees received reimbursement of expenses totalling £258 (2013 - Five trustees totalling £316) for travel and subsistence in relation to attending board and other meetings during the year.

No trustees or other person related to the charitable company had any personal interest in any contract or transaction entered into by the charitable company during the year (2013 - None).

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

	2014	2013
Chief Officer (Director)	1.0	1.0
Development Officers	4.9	3.4
Administration	<u>1.5</u>	<u>0.9</u>
<b>Total</b>	<u><b>7.4</b></u>	<u><b>5.3</b></u>

The employees of the charitable company were members of the charitable company's pension scheme. Contributions totalling £2,104 were outstanding at 31 March 2014 (2013 - £5,523).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2014**

9 <b>Tangible Fixed Assets</b>	Computer Equipment £	Office Furniture £	Total £
<b>Cost</b>			
At 1 April 2013	9,124	502	9,626
Additions	-	-	-
Disposals	(491)	-	(491)
	<u>8,633</u>	<u>502</u>	<u>9,135</u>
At 31 March 2014			
<b>Depreciation</b>			
At 1 April 2013	9,124	502	9,626
Charge for year	-	-	-
Disposals	(491)	-	(491)
	<u>8,633</u>	<u>502</u>	<u>9,135</u>
At 31 March 2014			
<b>Net Book Value at 31 March 2014</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Book Value at 31 March 2013</b>	<u>-</u>	<u>-</u>	<u>-</u>
10 <b>Debtors</b>		2014 £	2013 £
Trade debtors		56,611	40,443
Prepayments and accrued income		<u>1,873</u>	<u>565</u>
		<u>58,484</u>	<u>41,008</u>
11 <b>Creditors</b>		2014 £	2013 £
Taxes and social security costs		16,720	25,138
Accruals		24,050	26,450
Deferred income		45,740	40,739
Other creditors		<u>25,732</u>	<u>8,144</u>
		<u>112,242</u>	<u>100,471</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2014**

11 Creditors (continued)	2014	2013
	£	£
Movement in deferred income in year		
Brought forward	40,739	56,642
Released in the year	(40,739)	(39,330)
Deferred in the year	45,740	23,427
	<u>45,740</u>	<u>40,739</u>

Deferred income comprises grants and workshop income received in advance. The deferred income released in the year was comprised of similar amounts.

**12 Funds**

	At 31 March 2013 £	Incoming Resources £	Outgoing Resources £	At 31 March 2014 £
<b>Unrestricted Funds</b>				
General funds	119,401	254,351	(246,550)	127,202
Designated fund - Development	16,000	-	-	16,000
	<u>135,401</u>	<u>254,351</u>	<u>(246,550)</u>	<u>143,202</u>
<b>Restricted Funds</b>				
Inspiring Impact	6,795	15,000	(18,045)	3,750
Stitch in Time	-	81,049	(81,049)	-
Stitch in Time - Flexible funding	-	20,000	(20,000)	-
Funder Learning Programme	-	24,000	(4,198)	19,802
Skills Development	-	500	(500)	-
	<u>6,795</u>	<u>140,549</u>	<u>(123,792)</u>	<u>23,552</u>
	<u>142,196</u>	<u>394,900</u>	<u>(370,342)</u>	<u>166,754</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2014**

**12 Funds (continued)**

**Analysis of Net Assets Between Funds**

	General £	Designated £	Restricted £	Total £
<b>Restricted Funds</b>				
Tangible fixed assets	-	-	-	-
Net current assets	127,202	16,000	23,552	166,754
<b>Net Assets at 31 March 2014</b>	<u>127,202</u>	<u>16,000</u>	<u>23,552</u>	<u>166,754</u>

**General Fund – Third Sector Division**

This grant of £80,000 is the second year of a three year grant agreement provided by the Scottish Government towards the core costs of running Evaluation Support Scotland. Core costs include staff costs, office expenditure, and other costs.

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 without the prior written consent of Scottish Ministers, where the equipment has a minimum value of £1,000 at the time of disposal.

**Designated Fund – Development**

The Board has designated a fund of £16,000 for development projects to improve their understanding of their longer term impact and to scope the future needs of voluntary organisations and funders for evaluation support.

**Inspiring Impact**

A payment of £15,000 was made in 2012/13 by New Philanthropy Capital from grants paid to the Inspiring Impact programme. ESS spent £18,045 in 2013/14 which included funds carried forward from 2012/13. The grant is restricted to the strand of work Inspiring Impact Scotland and to provide collaborative assistance to the Inspiring Impact programme.

**Reshaping Care for Older People Demonstration project  
"A Stitch in Time?" – Scottish Government**

This is the second year of a three year funding agreement provided by the Scottish Government. The funding for 2013/14 was £120,000 including VAT. Of this £20,000 was flexible spend to allow ESS, in consultation with an advisory group, to bring in other third sector partner's expertise and knowledge. The remainder is for ESS costs required to deliver the specified programme of work. Under the terms of the funding arrangement ESS may not dispose of any equipment purchased with funds within five years of the award without the prior written consent of Scottish Ministers, where the equipment has a minimum value of £1,000 at the time of disposal.

## **EVALUATION SUPPORT SCOTLAND**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014**

#### **12 Funds (continued)**

##### **Funder Learning Programme**

A donation of £24,000, the first instalment of a two year total donation of £48,000 was made by The Robertson Trust for the funder learning programme. The funds contribute towards the cost of an Evaluation Support Manager. ESS spent £4,198 in 2013/14.

##### **Skills Development**

A grant of £500 was provided by Skills Development Scotland from the Flexible Training Opportunities Scheme. This contributed towards the cost of Excel training from members of the ESS team.

#### **13 Control**

In the opinion of the trustees there is no ultimate controlling party.