

**Parent Network Scotland**  
**(Limited by Guarantee)**  
**Report and Financial Statements**  
**For the Year Ended**  
**31 March 2005**

**Company Number: SC 198550**

**Charity Number: SC 029266**

## **Parent Network Scotland**

### **Report and Financial Statements For the Year Ended 31st March 2005**

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## **Parent Network Scotland**

### **Legal and Administrative Information**

***Company registration:*** SC 198550  
Company Limited by Guarantee

***Charity registration:*** Scottish Charity  
SC 029266

***Registered office and  
Business address:*** 19 Smiths Place  
Edinburgh  
EH6 8NT

#### ***Directors***

The following were directors during the year:

Patrick Boase (Chair)	Jan Johnson
Fiona Ashton (Vice-Chair)	Lucie MacAulay
Kris Shelton (Secretary)	Kathy Kershaw (resigned in year)
Chris Turner (Treasurer)	Kirsty Kelly (resigned in year)

***Bankers:*** Unity Trust Bank  
Nine Brindleyplace  
4 Oozells Square  
Birmingham  
B1 2HB

***Solicitors:*** W. & J. Burness  
242 West George Street  
Glasgow, G2 4QY

***Auditors:*** Norman, Downie & Kerr Ltd  
The Courtyard  
130 Constitution Street  
Leith  
Edinburgh EH6 6AJ

## **Parent Network Scotland**

### **Report of the Directors For the Year Ended 31 March 2005**

The directors are pleased to present their report and the financial statements for the year ended 31st March 2005.

#### *Status of Company and Objects*

Parent Network Scotland is a company limited by guarantee, with the liability of members limited to £1 each. The company has obtained recognition as a Scottish charity.

The principal objects of the company are to educate families and the public in better standards of childcare, and in the importance of sound relations between parents and children, for the maintenance and enrichment of family life.

#### *Review of Activities*

Parent Network Scotland (PNS) has continued to provide education and support for parents and carers in Scotland, mainly through the medium of weekly courses run by trained facilitators who are themselves parents. There was a complete staffing change during this financial year. The appointment of a Project Manager enabled the project to identify changes to services and processes to become more effective. A new Support Officer and two part-time Development Officers were also appointed. A new image was launched in early 2005, with a new logo, posters and leaflets. This will continue to be integrated into other mediums in 2005/06. In February 2005 an office move took place within the same building at 19 Smith's Place. These changes have had an extremely positive impact development-wise as well as strengthening and implementing new processes and procedures. Overall the project is now in a very structured and accountable position.

#### *Financial Review*

During the year there was a net increase in funds of £18,369 comprising an increase of £17,285 in restricted funds and a net increase of £1,084 in unrestricted funds as set out in the Statement of Financial Activities on page 7. The increase in restricted funds was due to grants received from the Big Lottery (formerly the Community Fund) and the Scottish Executive, which were not expended during the year, as shown in note 6 on page 11.

Grant income is set out in note 1 to the accounts on page 9. This includes £85,749 received from the Big Lottery during the year and this project continues for a further 2 years at a similar funding level. An annual core grant of £22,740 was received from the Scottish Executive (Section 10) and a similar level of funding has been confirmed for the year to March 2006.

Details of other income and expenditure during the year are set out in the statement of financial activities on page 7 with further analysis of expenditure shown in note 2 to the accounts on page 9. Expenditure under unrestricted funds includes the settlement of a claim by a former employee and associated legal costs, most of which was set aside as a designated fund in the previous year.

Balances carried forward include £17,855 in restricted funds (including £12,451 for the Big Lottery project), £3,096 in the fixed asset fund (representing the net book value of fixed assets) and £5,283 in the general fund, representing the current free reserves of the charity.

## **Parent Network Scotland**

### **Report of the Directors (continued)**

#### ***Statement of Directors' Responsibilities***

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the result for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are aware of the major risks affecting the charity and consider that appropriate procedures and safeguards are in place in order to mitigate those risks.

#### ***Status of Report***

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

#### **By Order of the Board**

***Patrick Boase***

**Director**

**Date:** 10 / 11 / 05 .....

## **Independent Auditors' Report**

### **To the Members of Parent Network Scotland**

We have audited the financial statements of Parent Network Scotland for the year ended 31 March 2005 set out on pages 6 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 the Directors and the Auditors***

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of their responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the information contained in the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

#### ***Basis of Opinion***

We conducted our audit in accordance with Auditing Standards 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 Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the 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 of the state of affairs of the charitable company as at 31 March 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Norman, Downie & Kerr Ltd**  
Chartered Accountants and Registered Auditors  
The Courtyard  
130 Constitution Street, Leith  
Edinburgh EH6 6AJ

**Date:** 14 November 2005

## **Parent Network Scotland**

### **Accounting Policies**

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

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities and the Statement of Recommended Practice *Accounting and Reporting by Charities*.

#### ***Grants and donations***

Income from annual grants is recognised in the period to which the grant relates. Any annual grants received in advance are included as deferred grants in creditors. Income from other grants and donations is recognised on receipt.

Where a grant or donation is received for a specific purpose, it is included in restricted income and any unexpended portion carried forward as a restricted fund.

#### ***Resources Expended***

All expenditure is accounted for on an accruals basis. As far as possible costs are attributed directly to the various categories of charitable expenditure. Staff costs are allocated on the basis of estimated time spent on each activity by employees and other overheads according to estimated usage.

Support costs comprise the administrative staff, occupancy and office costs which are ancillary to the charitable activities. Management and administration costs are those associated with the running of the charitable company.

#### ***Tangible Fixed Assets and Depreciation***

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated by the straight line method to write off the cost of fixed assets over their estimated useful lives at the following rates:

Computer equipment:	33% per annum
Office equipment & furniture:	20% per annum

#### ***Stock***

Stock comprises publications for resale at the lower of cost and net realisable value.

#### ***Taxation***

The company is exempt from corporation tax on its charitable activities.

The company is not registered for VAT and expenditure includes VAT where relevant.

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

*Restricted funds* may only be used for particular purposes within the objects of the charity as specified by the donor or by the terms of an application for the funds.

*Designated funds* are set aside by the directors out of unrestricted funds for specific purposes or projects.

The *Unrestricted general fund* is available to be used for any of the charitable objects at the discretion of the directors.

## Parent Network Scotland

### Statement of Financial Activities ( including Income and Expenditure Account ) For the Year Ended 31 March 2005

	Note	Unrestricted Funds		Restricted	Total	Total
		General	Designated	Funds	2005	2004
		£	£	£	£	£
<b>Incoming resources:</b>						
Grants & donations	1	2,100	-	110,489	112,589	25,417
<i>Activities in furtherance of the charity's objects:</i>						
Training & workshop fees		7,657	-	1,250	8,907	13,607
Sale of publications		795	-	-	795	1,021
Membership dues		-	-	-	-	134
Bank interest		859	-	-	859	456
<b>Total incoming resources</b>		<u>11,411</u>	<u>-</u>	<u>111,739</u>	<u>123,150</u>	<u>40,635</u>
<b>Resources expended:</b>						
<b>Charitable expenditure</b>						
<i>Costs of activities in furtherance of the charity's objects:</i>						
Training & support		3,193	425	37,016	40,634	31,414
Information & Publicity			174	16,412	16,586	10,587
Development work			338	31,920	32,258	19,081
Grants & donations paid		-	-	-	-	681
Costs of managing the charity		373	57	5,016	5,446	3,641
Settlement of claim by former employee (including legal costs)		1,066	8,791		9,857	2,017
<b>Total resources expended</b>	2	<u>4,632</u>	<u>9,785</u>	<u>90,364</u>	<u>104,781</u>	<u>67,421</u>
<b>Net incoming / (outgoing) resources</b>						
- Net income / (expenditure) for year		6,779	(9,785)	21,375	18,369	(26,786)
<b>Net transfers</b>		<u>(2,000)</u>	<u>6,090</u>	<u>(4,090)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		4,779	(3,695)	17,285	18,369	(26,786)
<b>Funds at 1st April 2004</b>		<u>504</u>	<u>8,791</u>	<u>570</u>	<u>9,865</u>	<u>36,651</u>
<b>Funds at 31st March 2005</b>		<u><u>5,283</u></u>	<u><u>5,096</u></u>	<u><u>17,855</u></u>	<u><u>28,234</u></u>	<u><u>9,865</u></u>

## Parent Network Scotland

### Balance Sheet at 31st March 2005

	Note	2005 £	2004 £
<b>Fixed Assets</b>			
Tangible assets	3	<u>3,096</u>	<u>-</u>
<b>Current Assets</b>			
Stock		-	704
Debtors	4	2,334	4,633
Cash at bank and in hand		<u>24,346</u>	<u>7,629</u>
		<u>26,680</u>	<u>12,966</u>
<b>Creditors:</b>			
Amounts falling due within one year	5	<u>1,542</u>	<u>3,101</u>
<b>Net Current Assets</b>		<u>25,138</u>	<u>9,865</u>
<b>Net Assets</b>		<u><u>28,234</u></u>	<u><u>9,865</u></u>
<b>Funds:</b>			
Designated funds	6	5,096	8,791
General fund	6	<u>5,283</u>	<u>504</u>
Total unrestricted funds		10,379	9,295
Restricted funds:	6	<u>17,855</u>	<u>570</u>
<b>Total Funds</b>		<u><u>28,234</u></u>	<u><u>9,865</u></u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities.

The financial statements on pages 6 to 12 were approved by the Directors on and are signed on their behalf by:

*Lucie MacAulay*

*Patrick Boase*

} **Directors**

## Parent Network Scotland

### Notes to the Accounts

#### For the Year Ended 31 March 2005

1 Grants & Donations	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Scottish Executive: <i>Core funding</i>	-	22,740	22,740	22,171
Big Lottery (formerly Community Fund)		85,749	85,749	1,646
Scottish Executive: <i>for website</i>		2,000	2,000	-
Scottish Community Foundation <i>for website</i>	-		-	1,600
Donations	2,100	-	2,100	-
<b>Total grants &amp; donations</b>	<b>2,100</b>	<b>110,489</b>	<b>112,589</b>	<b>25,417</b>

2 Resources Expended	Staff costs £	Direct costs £	Other costs £	Total 2005 £	Total 2004 £
Training & support	21,765	12,456	6,413	40,634	31,414
Information & Publicity	11,224	2,865	2,497	16,586	10,587
Development work	28,024	-	4,234	32,258	19,081
Grants & donations	-	-	-	-	681
Costs of managing the charity	2,152	321	2,973	5,446	3,641
Settlement of claim by former employee (including legal costs)	8,000	-	1,857	9,857	2,017
<b>Total resources expended</b>	<b>71,165</b>	<b>15,642</b>	<b>17,974</b>	<b>104,781</b>	<b>67,421</b>

#### Analysis of above expenditure:

##### *Direct charitable costs:*

Development staff	45,826	-	-	45,826	26,740
Development consultant	2,935			2,935	1,327
Recruitment	3,049	-	-	3,049	1,721
Facilitators' fees	-	5,646	-	5,646	10,617
Training costs & materials	-	6,350	-	6,350	6,313
Travel costs	-	781	-	781	2,306
Information/publicity printing costs	-	2,865	-	2,865	3,308
Grants & donations paid	-	-	-	-	681

##### *Support & management costs:*

Administrative staff	8,100	-	-	8,100	4,841
Fees for administrative work	3,255			3,255	-
Office occupancy costs	-	-	7,099	7,099	3,211
Office running costs	-	-	5,766	5,766	3,164
Settlement of claim by former employee	8,000	-	-	8,000	-
Legal fees	-	-	1,857	1,857	2,017
Audit & accountancy	-	-	1,234	1,234	1,175
Depreciation			994	994	-
Other expenditure	-	-	1,024	1,024	-
<b>Total</b>	<b>71,165</b>	<b>15,642</b>	<b>17,974</b>	<b>104,781</b>	<b>67,421</b>

## Parent Network Scotland

### Notes to the Accounts (continued)

#### 2 Resources Expended (continued)

	2005	2004
	£	£
<i>Analysis of Staff costs:</i>		
Salaries	47,644	28,949
Social security costs	4,756	2,632
Pension costs	1,526	-
Consultants' fees	6,190	-
Recruitment costs	3,049	1,721
Settlement of claim by former employee	8,000	-
Total	<u>71,165</u>	<u>33,302</u>

#### *Related party transactions:*

Facilitator fees totalling £1,438 were paid to directors during the year.

No remuneration was paid to directors for their services in managing the company. Travel expenses of £320 were reimbursed to them during the year for attendance at meetings.

	2005	2004
	£	£
<i>Auditors' remuneration (excluding VAT):</i>	<u>1,050</u>	<u>1,000</u>

#### 3. Tangible Fixed Assets

	<i>Office Equipment</i>
	£
<i>Cost or valuation:</i>	
At 1 April 2004	-
Additions in period	<u>4,090</u>
At 31 March 2005	<u>4,090</u>
<i>Depreciation:</i>	
At 1 April 2004	-
Charge for period	<u>994</u>
At 31 March 2005	<u>994</u>
<i>Net Book Value:</i>	
At 31 March 2005	<u>3,096</u>

#### 4. Debtors

	2005	2004
	£	£
<i>Amounts falling due within one year:</i>		
Fees & resource materials	1,575	3,986
Prepayments & other debtors	<u>759</u>	<u>647</u>
	<u>2,334</u>	<u>4,633</u>

## Parent Network Scotland

### Notes to the Accounts (continued)

5. Creditors	2005 £	2004 £
<i>Amounts falling due within one year:</i>		
Accruals	<u>1,542</u>	<u>3,101</u>
	<u>1,542</u>	<u>3,101</u>

### 6 Movement on Funds

	Note	At 1/4/04 £	Movement in Resources			At 31/3/05 £
			Incoming £	Outgoing £	Transfers £	
<b>Restricted funds:</b>						
Community fund / Big Lottery	(a)	(75)	85,749	(69,430)	(3,793)	12,451
Sc. Exec: <i>Core funding</i>	(b)	-	23,990	(20,503)	(297)	3,190
Sc. Exec: <i>website</i>		-	2,000	(117)	-	1,883
Lloyds TSB: <i>Capacity Building</i>		314	-	(314)	-	-
Highland Region: <i>fundraising</i>	(c)	<u>331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331</u>
Total restricted funds		<u>570</u>	<u>111,739</u>	<u>(90,364)</u>	<u>(4,090)</u>	<u>17,855</u>
<b>Unrestricted funds:</b>						
<i>Designated funds:</i>						
Fixed asset fund	(d)	-	-	(994)	4,090	3,096
Settlement of claim	(e)	<u>8,791</u>	<u>-</u>	<u>(8,791)</u>	<u>2,000</u>	<u>2,000</u>
<i>Total designated</i>		8,791	-	(9,785)	6,090	5,096
General fund		<u>504</u>	<u>11,411</u>	<u>(4,632)</u>	<u>(2,000)</u>	<u>5,283</u>
<b>Total unrestricted funds</b>		<u>9,295</u>	<u>11,411</u>	<u>(14,417)</u>	<u>4,090</u>	<u>10,379</u>
<b>Total funds</b>		<u>9,865</u>	<u>123,150</u>	<u>(104,781)</u>	<u>-</u>	<u>28,234</u>

#### Notes:

- (a) The Big Lottery project runs for 3 years from April 2004 to March 2007.
- (b) Income includes a grant of £22,740 from the Scottish Executive and training fees of £1,250 as matched funding.
- (c) This fund represents fund-raising to be expended on operations in the Highland Region.
- (d) The *Fixed Asset fund* represents the net book value of tangible fixed assets. The cost of assets purchased is transferred into the fund and annual depreciation is charged to the fund.
- (e) This fund was set aside to cover the costs of a constructive dismissal claim by a former employee. The claim was settled during the year and the remaining balance is to cover any further legal costs.

## Parent Network Scotland

### Notes to the Accounts (continued)

#### 7 Analysis of Net Assets between Funds

	<i>Restricted Funds</i>	<i>Designated Funds</i>	<i>General Fund</i>	<i>Total Funds</i>
	£	£	£	£
Tangible fixed assets	-	3,096	-	3,096
Debtors	759	-	1,575	2,334
Bank & cash	18,593	2,000	3,753	24,346
Creditors	<u>(1,497)</u>	<u>-</u>	<u>(45)</u>	<u>(1,542)</u>
<b>Total Net Assets</b>	<u>17,855</u>	<u>5,096</u>	<u>5,283</u>	<u>28,234</u>