

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Report of the Board of Governors for the year ended 31 March 2009 – Cont'd**

**ACTIVITIES AND EVENTS**

Outdoor Learning Facility

The Centre was fortunate to be identified as one of the Rangers Charity Foundation nominated charities in 2008/09 and enabling the creation of an Outdoor Learning facility for the Centre's pupils. This consists of a network of paths and outdoor learning areas in woodland adjacent to the main building. The paths are constructed of different materials and textures to enable children to experience and gain confidence in walking and moving on uneven surfaces. The Outdoor learning areas are flexible spaces that can be transformed into outdoor classrooms to enable a holistic learning environment for children.

Curriculum for Excellence

Scottish Government recently launched the Curriculum for Excellence to ensure a cohesive learning experience for all children aged 3-18 years that enables them to participate more actively in their learning and develop the skills for life in the 21st century.

The Centre has responded to this challenge by establishing curriculum leadership and responsibilities. The integration of the Curriculum for Excellence into the Centre's curriculum framework is a work in progress. It provides the Centre with an opportunity to articulate more clearly the added value it offers in enabling children with motor learning difficulties to become successful learners, confident individuals, effective contributors and responsible citizens.

GLOW/ICT Investment

The Centre has in the past year allocated significant investment in improving ICT access across the Centre for Staff, children and Parents. This will also enable access to Learning Teaching Scotland's GLOW – the Scottish Glow is the world's first national intranet for schools. Managed by LTS and delivered by Research Machines, Glow will break geographical and social barriers and allow joined-up working throughout Scotland. It will work alongside Curriculum for Excellence to build capacity and ensure a first-class education for Scotland. GLOW will greatly enhance learning opportunities for our children and aid staff CPD and collaboration with other education providers across Scotland. Staff have also embarked on a range of IT training to further enable integration of ICT across the Centre. This training was made possible with Grant funding sourced by North Lanarkshire Business Gateway.

[www.craighalbert.org.uk](http://www.craighalbert.org.uk)

The Centre's revamped website ([www.craighalbert.org.uk](http://www.craighalbert.org.uk)) went live in February, giving internet users a clean, contemporary and easily navigable window on the Centre and its activities. The site has a content management system that allows pages, content and images to be added, edited or removed as required. From May, visits to and activity on the website will be monitored on Google Analytics, from which reports can be generated showing variables such as visitor numbers, location of visitors, pages visited and time spent on website. Feedback on the website has been overwhelmingly positive, including from professionals working in the creative fields such as photography, advertising and web design.

HMIe Inspection

The Centre was inspected by HMIe during June of 2008. The first whole school inspection since 2001. The inspection specifically acknowledged the range of good practices and the evidence of high levels of achievement across the Centre's operation and there is particular satisfaction associated with the recognition of Centre's high standards in effective teaching, meeting children's learning needs and achieving a high level in children's experiences. The Board of Governors was also pleased that recognition was made of the very good management and use of resources for learning. There is particular satisfaction in view of the parents that the Centre is well led, the recognition that almost universally, parents "were very positive about all aspects of the service", that the Centre "actively supported parents" and those parents had "a high degree of trust and confidence" in the Centre. As with many HMIe reports of other establishments, this report included some issues which the organisation requires to address, the Centre is actively working to improve in these areas and is looking forward to the further progress this will enable in the organisation. The Board and the CMT have spent considerable resources in preparation of an 'Action Plan' to address the matters identified in the report.

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**ACTIVITIES AND EVENTS – Cont'd**

The Action Plan will make a major impact on the Centre's future operation, be a key driver for the next 12 months and will require considerable resources devoted to the fulfilment of the objectives.

Estates

The Centre has invested in upgrading several of its Estates over the year including replacing the boilers which had been in place since the Centre's inception, upgrading the IT server to enable a more stable ICT platform, creation of a staff ICT suite to enable more effective planning and preparation, extension of the fire detection system to include outbuilding accommodation, repainting of classrooms and public areas and replacement Hydrotherapy pool filters. These works were supported by Scottish Government Grant funding.

**FINANCIAL REVIEW**

**Income and Expenditure**

Income to meet recurrent expenditure amounted to £1,418,771.

**Resources from Charitable Activities**

The Centre received direct grants from the Scottish Executive Education Department of £754,800 towards running expenses under The Special Schools (Scotland) Grant Regulations 1990 and £8,007 as part of the arrangements to fund the employer's contribution to the SPPA Teachers and NHS superannuation schemes. The Centre also received from the Department a capital grant totalling £82,561 for IT equipment, replacement boilers, fire detection systems, decoration of accommodation and cooling systems. The governors are grateful to the Department for this support which is accounted for as restricted funds in the Statement of Financial Activities (SOFA) on page 14.

Fees paid by local authorities placing children at the Centre amounted to £511,693 which is also dealt with as restricted funds in the SOFA.

**Resources from Generated Funds**

Income from these sources, designated restricted funds, amounted to £181,732 of which £132,631 was a donation from the Trustees of The Friends of the Craighalbert Centre to support both revenue and capital projects which are detailed in note 10 to the financial statements.

**Resources Expended**

Direct charitable expenditure of £1,296,679 for the provision of conductive education represented 95.0% of overall expenditure, the same percentage as in the previous year.

£57,567 was incurred in generating funds and governance costs amounted to £10,412.

**Reserves Policy**

The Development fund, which is an unrestricted fund, comprising a donation made some years ago together with interest accrued thereon, represents the only free reserves of the Centre. Restricted funds represent only the net book value of fixed assets. The Centre has the power to create reserves from its restricted revenue income (other than grant income which is excluded under the Special Schools (Scotland) Grant Regulations 1990). It has again realised a small surplus on the restricted revenue fund which is committed to meeting future operating costs and the implementation of GLOW, the Scottish Schools Intranet system.

**Investment Policy**

As a consequence of the circumstances described above regarding reserves, only short-term investment opportunities arise. These relate to funds required for working capital purposes and therefore a low risk policy is required. Accordingly, such funds are placed on bank deposit in an account paying interest and providing immediate access.

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**Report of the Board of Governors for the year ended 31 March 2009 – Cont'd**

**FINANCIAL REVIEW – Cont'd**

**Grant Making Policy**

The Charity's objects permit the making of grants for education and training to support the Centre's main activities. No such grants were awarded during the year.

**FUTURE PLANS**

During 2009/10 the Centre's activities will be focused against 2 key areas:

Increasing flexibility of services

Whilst developing the Centre's day pupil attendance further flexibility will be developed to enable the Centre to better fulfil its national remit, generate a greater pool of service users and in turn generate increased income to support the organisation. In addition a review of the pupil profile will be conducted to ensure all children who may benefit from Conductive Education are being considered.

Implementation of the HMIe Action Plan

To ensure a thriving learning environment for our children, ensure the quality of education provision and enable an operational structure that maximises the potential for learning and development across all areas of the organisation.

**Increasing flexibility of services**

In the context of what appears to be a growing reluctance of local authorities to fund pupils to attend a national organisation, the Centre will seek to increase its service delivery through inter-related methods, increasing the full-time pupil population, creating a more flexible service delivery profile and considering altering the nature of the pupil population.

In addition to pursuing additional fee income, prior to, or during 2009/10, the Centre would also wish to discuss the possibility of varying the basis of the Centre's funding model with the Scottish Government in order to enable more children to access the Centre's services.

(i) Increasing the Full-time Pupil Population

The 'full-time' pupil population is decreasing while the 'outreach' population is increasing. The major cause for the reduction in 'full-time' pupils is a result of local authorities being reluctant to allocate their resources to schools outwith the authority. This is having a major negative impact on the Centre's finances through reductions in fee income.

A key objective for 2009/10 will therefore be to generate fee income through increasing the numbers of full-time pupils from geographically adjacent local authorities. A detailed plan to fulfil this objective was prepared and submitted as a supplement to the Business Plan in January 2009.

(ii) Changing the Nature of the Pupil Population

The Centre has established a particular profile of pupils for whom it regards Conductive Education to be most appropriate. This however restricts the nature of the children who attend, narrows the potential pupil population and therefore limits its fee base. In addition, although the Centre has employed solely Conductive Education, it has the authority, as stated in its Articles of Association, to employ 'other progressive educational methods'.

The Centre will therefore consider:

- widening its pupil population to enable a greater number of children to benefit from its resources and skill base, and
- using other 'progressive methods' to meet the needs of a potentially larger group.

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**FUTURE PLANS – Cont'd**

In addition, work will be undertaken to identify routes to expanding the 'Parent and Baby' service in order to increase numbers and therefore potential fee-payers into Parent/Child and Nursery groups. Furthermore, methods of identifying more accessible routes for parents to access services and to identify potential service provision outwith the Centre building, provided by Centre staff to meet our national remit and expand knowledge of the Centre and its work.

**Implementation of the HMIE Action Plan**

The implementation of the Action Plan to address the issues identified in the HMIE report will be a key objective and a key educational driver for 2009/10. The delivery of the Action Plan will have a major impact on the Centre's operation and will require significant effort across all areas of the organisation, including the Board. Re-allocation of internal resources and possible re-structuring of the operation, to enable a more outward-looking operational focus that will be required to fulfil the plan effectively.

Identifying a Strategy and Operational Structure to Address the Centre's Objectives

The progression of the Centre's objectives, as identified in Appendix I, requires that responsibility for their development is built into management structures, spheres of responsibility and organisational framework. Identification and implementation of an operational structure that fosters collaborative practice and ongoing evaluation will be critical to the delivery of the Action Plan and ongoing practice development and delivery within the Centre.

Developing Local Authority Relationships

The Centre requires to develop relationships with local authorities in order to draw upon best practice. Building relationships with education professionals in the mainstream and special needs environments will facilitate drawing on best practice for implementation within the Centre through both CPD and professional contacts.

Expertise Building

Action will be undertaken to improve, expand and enhance the knowledge, capability, best practice and therefore the delivery and added value of the services required of the Centre. This will include efforts to capture and articulate the benefits of Conductive Education, enabling a stronger product to be marketed to potential funders, facilitate strategy development and enable more effective targeting to a wider user group. A key focus will be the active engagement with external bodies (eg Education Authorities) and thought formers (eg LTS) across all staffing levels.

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**Report of the Board of Governors for the year ended 31 March 2009 cont'd.**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The governors (who are also directors of The Scottish Centre for Children with Motor Impairments for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the incoming resources and application of resources, including the net income and expenditure of the company in the year.

In preparing these financial statements the Governors are required to:

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

The Governors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements, comply with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The applicable law also sets out the governors' responsibilities for the preparation and content of the Governors' Report.

The governors are 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 Board's commitment to these responsibilities and the broader principles of effective governance is reflected in its adoption of a Policy on Governance which guides the practice of members of SCCMI's Board.

The governors confirm that:-

- As far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each governor has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Messrs Chiene + Tait as auditors will be put to the members at the annual general meeting.

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

By order of the Board



H Fraser, Chairman

Date:

24/8/09.

## **INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS AND MEMBERS OF THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**

We have audited the financial statements of The Scottish Centre for Children with Motor Impairments for the year ended 31 March 2009 set out on pages 15 to 23. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the members, as a body, in accordance with section 235 of the Companies Act 1985, and to the charity's governors, 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 members and the charity's governors 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 charity, its members as a body and its Governors as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditors**

The responsibilities of the Governors' (who are the directors of the charity for the purposes of company law) for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Governors' Responsibilities.

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 if, in our opinion, the information given in the Governors' 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 accounts 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 governors' remuneration and transactions with the charity is not disclosed.

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

### **Basis of audit 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 judgments made by the governors 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS AND MEMBERS OF  
THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**

**Opinion**

In our opinion:

- the financial statements give a true and fair view , in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Charity's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for 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 Governors' Report is consistent with the financial statements.

*Chiene + Tait*

**CHIENE + TAIT**  
Chartered Accountants and Registered Auditors  
61 Dublin Street  
Edinburgh  
EH3 6NL

28 AUGUST 2009

**SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Statement of Financial Activities (Incorporating Income and Expenditure Account)**  
**For the year ended 31 March 2009**

		Unrestricted Funds £	Restricted Funds Income £	Restricted Funds Capital £	2009 Total £	2008 Total £
	Notes					
<b>Incoming Resources</b>						
<b>Resources from charitable activities:</b>						
Grants for conductive education	2	-	762,807	82,561	845,368	1,004,618
Fees for conductive education	2	-	511,693	-	511,693	567,823
<b>Resources from generated funds:</b>						
Courses, modules, etc.		-	3,908	-	3,908	4,216
Rental income		-	25,747	-	25,747	23,269
Staff meals		-	11,287	-	11,287	13,087
Donations	3	-	97,355	35,276	132,631	75,103
Deposit interest		410	5,974	-	6,384	6,140
<b>Other Incoming Resources</b>						
Gain on sale of assets		-	-	-	-	<u>7,500</u>
<b>Total incoming resources</b>		<u>410</u>	<u>1,418,771</u>	<u>117,837</u>	<u>1,537,018</u>	<u>1,701,756</u>
<b>Resources expended:</b>						
<b>Charitable activities:</b>						
Provision of conductive education		-	1,296,679	154,028	1,450,707	1,436,533
Costs of generating funds		-	57,567	-	57,567	57,828
Governance costs		-	<u>10,412</u>	-	<u>10,412</u>	<u>6,869</u>
<b>Total resources expended</b>	5	-	<u>1,364,658</u>	<u>154,028</u>	<u>1,518,686</u>	<u>1,501,230</u>
Net incoming/(outgoing) resources before transfers		410	54,113	(36,191)	18,332	200,526
Transfers between funds		-	<u>(38,837)</u>	<u>38,837</u>	-	-
<b>Net movement in funds</b>		410	15,276	2,646	18,332	200,526
Fund balances brought forward at 1 April 2008	10	<u>24,476</u>	<u>217,433</u>	<u>3,128,667</u>	<u>3,370,576</u>	<u>3,170,050</u>
<b>Fund balances carried forward at 31 March 2009</b>	10	<u>24,886</u>	<u>232,709</u>	<u>3,131,313</u>	<u>3,388,908</u>	<u>3,370,576</u>

There are no gains or losses other than those dealt with in the Statement of Financial Activities.

The result for the year for Companies Act purposes comprises the net outgoing resources for the year on the unrestricted and restricted income funds less the expenses allocated to the restricted capital fund of £154,028 (2008 : £138,573)

All incoming resources and resources expended derive from continuing activities.

The notes on pages 17 to 23 form part of these financial statements