

**The Scottish Centre For Children With Motor Impairments**

*Registered in Scotland Number 129291*

Charity Number SC008428

**Financial Statements for the year ended 31 March 2010**

## THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS

### Report of the Board of Governors for the year ended 31 March 2010

The Governors, who are also directors of the charity for the purposes of the Companies Act, submit their report and the audited financial statements for the year ended 31 March 2010. The Governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the charity.

### GOVERNANCE AND ADMINISTRATIVE DETAILS

#### Board of Governors

<b>Member</b>	<b>Appointment Type</b>
Mr H Fraser (Chairperson)	Appointed by Scottish Ministers
Mr M Cunliffe (Vice-Chairperson)	Elected by Members of the company
Mr Mark Bevan	Appointed by Children in Scotland <i>formerly Scottish Child/Family Alliance</i>
Prof B R Durward	Co-Opted
Mr D D Frame	Co-Opted
Dr P D Jackson	Appointed by Scottish Ministers
Ms Sharon Mackenzie	Co-Opted
Vacant	Appointed by Scottish Ministers
Mr Alan Reid	Elected by Members of the company
Vacant	Appointed by Parents/Staff Association
Vacant	Appointed by Parents/Staff Association
Vacant	Appointed by the Convention of Scottish Local Authorities
Vacant	Appointed by the Convention of Scottish Local Authorities

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Report of the Board of Governors for the year ended 31 March 2010 – Cont'd**

<b>Director of the Centre and Secretary</b>	Professor Patrick Salter
<b>Treasurers</b>	Macfarlane Gray Limited Chartered Accountants Castlecraig Business Park Springbank Road Stirling
<b>Assessor Representing Scottish Government</b>	M Tierney Scottish Government Education Department Victoria Quay Leith
<b>Bankers</b>	The Royal Bank of Scotland plc 1 Roadside The Village Cumbernauld
<b>Auditor</b>	Chiene + Tait Chartered Accountants 61 Dublin Street Edinburgh
<b>Solicitors</b>	Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA
<b>Registered office</b>	Craighalbert Centre 1 Craighalbert Way Cumbernauld G68 OLS
<b>Registered number</b>	Registered in Scotland Number 129291
<b>Scottish charity number</b>	SC008428
<b>Website</b>	<a href="http://www.craighalbert.org.uk">www.craighalbert.org.uk</a>

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Report of the Board of Governors for the year ended 31 March 2010 – Cont'd**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The Centre is a charitable company, limited by guarantee, which was incorporated on 14 January 1991 and the Registrar of Companies has given permission to omit the word “limited” from the company name. The Centre, which is governed by a memorandum and articles of association, has been granted charitable status by HM Revenue & Customs.

**Appointment and Induction of Governors**

The arrangements for the appointment of Governors are set out in the Articles of Association, and the current Board is detailed on page 1. Governors are appointed from a range of relevant backgrounds, ensuring a breadth of knowledge and experience is contained within the Board, and a Policy on Governance exists to support the operation of the Board. All Governors are required to undertake an Enhanced (Childcare) Disclosure Scotland check. New governors meet initially with the Chairman and/or the Centre’s Director and are provided with a range of documents including: the most recent audited financial statements, Memorandum and Articles of Association, Governance Policy, details of current Board composition and membership, organisational Structure chart, copy of relevant strategic and business planning documents.

**Organisational Management**

The Board of Governors administers the charity. The Board meets bi-monthly and the Chairman’s Working Group, a sub-committee, exists to facilitate and enable the operational issues arising from the work of the Board of Governors. Membership of the Chairman’s Working Group comprises: the Board Chairman and Vice-Chairman, a Governor with professional expertise in financial management, the Centre’s Director, Head of Director’s Office. In addition, individuals from both within the Board and outwith may be co-opted from time to time should their sphere of expertise be beneficial. Such co-options will require approval by the Board of Governors. The Director is appointed by the Board to manage the day to day operations of the charity. To facilitate effective operations, the Director has delegated authority, within terms approved by the Governors, for operational matters including finance, employment, property and the education and well-being of those using the Centre’s services.

**Related Parties**

The Friends of the Craighalbert Centre, which is registered at the same address as the Centre, is a fundraising trust that exists for the support of the Centre.

**Risk Management**

The Governors have undertaken a comprehensive analysis of the major risks to which the charity is exposed within the following categories:

- Governance and Management
- Operational
- Financial
- Environmental and External Factors
- Compliance (Law and Regulation)

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Report of the Board of Governors for the year ended 31 March 2010 – Cont'd**

**STRUCTURE, GOVERNANCE AND MANAGEMENT – Cont'd**

Progress is reviewed on a regular basis and a full review undertaken annually. Governors are satisfied that systems are in place to mitigate exposure to major risks.

**OBJECTIVES AND ACTIVITIES**

The Charity's principal objectives, as set out in the Memorandum of Association, are summarised as follows:

- The development and advancement in Scotland of education for children with disorder of movement or co-ordination caused by cerebral palsy or other conditions and in particular the development and advancement of Conductive Education,
- To establish in Scotland a centre for the education of children with motor impairments based on the principles of Conductive Education, and assist in providing accommodation for children attending the centre and their families.
- To provide training facilities for professional and other staff working with children with motor impairments.
- To establish contact with and liaise with other providers of treatment and education of children with motor impairments and with parents or guardians of such children.
- Engage in or contribute to research.
- Assist universities with courses

The main operational objectives (delivering the Mission and Realising the Vision) of the Scottish Centre for Children with Motor Impairments are to:

- Ensure that the Centre's services are available throughout all parts of Scotland, and therefore children with motor learning difficulties, irrespective of where they reside in Scotland, are able to access and benefit from the Centre's services.
- Deliver services which include direct and indirect engagement with children and families, and partnerships with other organisations involved with such children.
- Offer professionally informed and objective views, advice, information, insight and support for young people and families (including siblings).
- Contribute to the knowledge economy and advance practice associated with the ability development, life skills and education, and specifically that of conductive education, in the fields and disciplines in which the Centre operates by means of: knowledge pursuit, publication, dissemination and application through research and scholarly works, and the education of appropriate professionals throughout Scotland.
- Articulate the Centre's added value to the fields of additional support needs education and children's ability development.
- Contribute to the academic and professional education of the professions, disciplines and fields associated with the Centre's work.

To achieve these objectives and aims, and to fulfill its national role, the Centre provides the services identified with each of these services engaging with families, staff of other educational establishments and NHS staff:

- Parent and Baby service
- Parent & Child service
- Early Years Education class incorporating a nursery and primary school classes
- Inreach programmes including a Periodic Placement Programme
- Siblings Service.

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Report of the Board of Governors for the year ended 31 March 2010 – Cont'd**

**ACHIEVEMENTS AND PERFORMANCE**

**Inreach/Flexible Services**

Periodic Placement Programme

Children/young people unable to attend or travel to the Centre on a daily basis attend regularly, typically for three or four weeks per annum. Centre staff undertake home and educational placement visits for these children outwith their placement period in order to ensure collaborative working within the child's home area.

Summer Schools and Saturday Sessions

These groups run outwith normal term times and are attended by children attending the Inreach service and include a Sibling service children/young people engaging with the Periodic Placement Programme.

Transition

Children attending the Department of Early Years Education move either to their local mainstream primary, local authority special school or another Grant Aided Special School. To support the transition between the Centre and the local school, the staff work collaboratively with the family and professional staff from these other organisations.

**Business Management**

The Centre is going through a period of change in terms of its personnel, pupil profiles and financial challenges. Considerable analysis has been given to its current and future roles and the appropriateness of its structure and organisation to address these roles. In 2009/10 all of these issues were considered.

**Board Membership**

A number of Board of Governors changes occurred, including:

Hugh Fraser, Director of Education, Culture and Sport, Highland Council, was appointed as Chairman, following Professor McGettrick resigned his position from the Board in November 2009,

Dr Anne Lennon was required to retire from the Board in November 2009 as a result of a change in career,

Mr Mark Bevan, Head of Children's Services of Capability Scotland, was appointed through 'Children in Scotland' on 16 November 2009,

Ms Sharon Mackenzie was co-opted to the Board on 19 March 2010,

Mr Alan Reid was elected from the 'Company' on 16 November 2009,

Mrs Michaela Burton resigned from the Board on 16 November 2009 due to completion of governance term,

Victoria Forrester resigned from the Board on 16 November 2009 due to completion of governance term,

Alison Philips resigned from the Board on 16 November 2009 due to completion of governance term.

Geraldine Queen resigned from the Board on 19 March 2010 as a result of change of role within NHS.

**Management, Leadership and Organisation**

A Departmental Head retired at the end of 2008/09 due to ill health. It was decided to establish a single Department of Early Years Education combining the operations of the nursery and primary school provisions, a decision informed by previous HMIE comments related to departments working separately and ineffective links between nursery and primary provisions. The outcome of the decision to combine the departments received positive comment from HMIE, "as a result of staff in the nursery and early years' classes working more closely together, learning is improving".

HMIE described the resultant CMT as "working effectively as one team and are very clear about the future direction", and recognised 'effective teamwork between senior managers and the Board of Governors,' as a particular strength, and with 'strong strategic leadership' being provided by the Director."

## **THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**

### **Report of the Board of Governors for the year ended 31 March 2010 – Cont'd**

The Centre's organisational change programme, including the review of the working, day, week and year to which the then Board committed to addressing in 2001, but did not act upon, to enable service expansion potential, more flexible service delivery and meet the core operational and national requirements of the Centre was undertaken and fully implemented during 2009/10. This operational basis will enable a platform from which it is anticipated services can expand.

The nature of the Centre's work has changed in recent years, through e.g. increases engagement with the Periodic Placement Programme which involves the weekend attendance of children and young people. The Board consider that increasing the flexibility of service provision to include eg after school hours service and/or weekend provision has potential to enable many more children to access the services which can be provided. In addition, this flexibility may attract alternative funding sources eg Social Work and attract funding from Local Authorities who may perceive current day pupil attendance as prohibitive as it takes the child out of authority provision with their local area peers.

#### **The Centre's Mission Statement, Vision Statement and Articulation of Tenets**

The Centre is approaching the end of its second decade and the Board and CMT consider that this provided an opportunity to articulate the way in which the Centre should be regarded in the external professional and lay environments. The Centre's future direction was articulated through revised statements which are congruent with the principles of its founding objectives and included: Mission Statement, Vision Statement, Objectives, and a first articulation of the Centre's Values and Tenets.

#### **Pupil Population, Scottish Government Funding and Local Authority Funding**

##### **Finances**

A number of combining factors continue to create a challenging fiscal climate for the organisation, the combination of fee reductions, continued Scottish Government grant reduction 'real terms', (the grant has been frozen since 2007/08) and no financial reserves established until 2008. Despite these conditions, the Centre has always been able to generate reserves from funds other than the Scottish Government recurrent grant. This is confirmed in the minutes of the 2006 AGM.

Of continuing financial impact is the reduction in fee income due to fewer children attending on a full-time basis, which is not balanced financially by substantial growth in part-time pupils. The Centre is reliant upon referrals for 'full-time' pupils who reside close to the Craighalbert building, creating a highly restricted market and inbuilt financial vulnerability. There is a developing trend for local authorities to require children to attend the authority's schools, with fewer children referred to the Centre.

The Centre is continuing to actively develop relationships with Local Authorities to develop provision potential, including the expansion of Inreach services to include the possibility of service delivery with the Local Authority areas. This will be a key objective for 2010/11.

The Centre's remuneration levels and incremental structure are based on service duration. This, in combination with a low rate of staff turnover has resulted in the majority of staff salary being at the maximum point of the scale, resulting in high per capita costs. Staff turnover during the year resulted in a reduction of the salary budget during 2009/10, although some posts becoming vacant were replaced by key professionals through the recruitment of a primary teacher and (temporarily), a physiotherapist.

The reduction in Scottish Government grant, fee reductions and high per capita costs creates a challenging fiscal environment. In anticipation of this situation, expenditure was aggressively reduced during 2009/10, resulting in a positive account balance for the year end of £146,136 before depreciation costs have been factored, and will continue to be challenged in 2010/11.

## **THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**

### **Report of the Board of Governors for the year ended 31 March 2010 – Cont'd**

#### **ACHIEVEMENTS AND PERFORMANCE – Cont'd**

The Craighalbert building and campus are now approaching 20 years old and have shown signs of wear for some time. It is noted that the Board identified this situation in 2008/09 and stated that “maintenance costs will increase over the coming years there is a need for a costed plan to be prepared”. Unfortunately a costed plan was not prepared at that time and this will require to be built into the annual budgetary planning in future years. In addition, Capital Grant Funding will be required to meet this requirement, however this is reliant on funds being created within the overall budget to contribute the required 40% to Capital Projects.

#### **Service Delivery**

##### Progression of the HMIE Action Plan

The HMIE Action Plan continued to be a major focus and the Centre received a ‘Follow-through Report’ in October 2009, which recognised improvements made throughout the Centre and constructively identified areas which require continued attention. This work has focused on curriculum development, cross-Centre working, assessment, evaluation, reflection and feedback. These activities will continue during 2010/11 and beyond to ensure the Centre’s long-term progress including transforming the Action Plan into the School Improvement Plan.

##### The Pupil Population

During 2009/10 on average 58 children/young people accessed the Centre’s services and had the maximum age-range possible, from under 1 year to 18 years. The pupil population was higher than predicted due to pupils remaining for longer than anticipated, however the attendance of many pupils was on a part-time and short-term basis.

##### Day Pupils

The majority of the Centre’s resources are directed to the delivery of a programme which integrates the children’s education with addressing their physical and life skills a method of service delivery which is unique in Scotland. Day pupils attend from 11 of Scotland’s 32 local authorities. The average number of children attending the Day Pupil Service at the Centre during the year was 32 with, on average, 8 children in Parent and Baby, 2 in Parent and Child, 14 in the Nursery and 8 in the School Group. The Centre’s management is increasingly aware of the social pressures which may make it difficult for children to access services where parents are also required to attend and believe this may be impacting children numbers for these services. The Centre is actively reviewing these services and examining the feasibility of eg after school/work hours or weekend provision alongside provision outwith the Craighalbert Centre. The operational changes to the working day, week and year of staff will further enable this to be taken forward.

The Centre acknowledges and supports an inclusive education ethos by continuing to offer flexible day attendance at the Centre, be it full-time, part-time and part-day attendance and this continues to be well received by professionals and families. It is increasingly evident however that Local Authority funding of day pupils is becoming increasingly difficult for families to secure. The Local Authority fee is significantly subsidised by the Scottish Government grant and the Centre is actively working to maintain day fee increases to inflationary levels to ameliorate the financial constraints faced by Local Authorities, however this is occurring within the context of a reducing Grant profile for the Centre and will continue to be challenging for coming years.

##### Inreach/Flexible Services

The Outreach Department, now the Department of Flexible Programmes was established in 2005 with the remit to further develop “services most likely to have a positive and continuing impact, directly or indirectly, on the education of former pupils and children/young people with a motor impairment, who have a relatively minor impairment and/or live more than an hour’s journey from the Centre”. The Centre continues to develop services to address this remit.

##### Periodic Placement Programme

During the year, 9 groups operated, with the composition of each group being influenced by age, abilities and needs. Increases in recruitment will necessitate additional group and a greater proportion of the Centre’s staffing being allocated to this area. The Centre continues to work collaboratively with the mainstream school to ensure effective co-ordination of services.



**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Report of the Board of Governors for the year ended 31 March 2010 – Cont'd**

**ACHIEVEMENTS AND PERFORMANCE – Cont'd**

Siblings Services

Concerns associated with the siblings of children with Additional Support Needs are well documented in professional and academic literature. The Centre considers that the experiences of siblings growing up with a brother or sister with Additional Support Needs affect the child/young person with the additional support needs and indeed the parents. For those children/young people who attend the Periodic Placement Programme a 'siblings group' has therefore been established. This programme has been well received and successful in receiving a significant funding grant from 'Go Play'. The Centre now wishes to expand the service to siblings of all children who access the Centre's services and this will take place during 2010/11.

Continuing Professional Development Services

Collaboration with South Lanarkshire Council continues and has led to continued well received sessions with therapists associated with the council's work. A series of fact sheets have been completed and are used frequently as an alternative means of disseminating knowledge, understanding, skills and good practice to the widest possible audience. The Centre has developed a suite of CPD courses that can be offered to Local Authorities. These will be offered during 2010/11. CPD has become integral to the outreach programme, with one afternoon each week focusing on knowledge and skill development of parents and SNAs involved with the children. CPD is also being encouraged as part of the transition programme from Nursery and School to mainstream education. This CPD is often more informal and focused on the specific requirements of the school or class environment but is increasingly well received by our mainstream partners.

Investment in the CPD of Centre Staff

The Centre's range of services, delivery, developmental responsibilities and operational context places a considerable demand upon the staffing complement which requires that the collective knowledge, skills, abilities, attitudes and commitment is of the highest quality and possess substantial developmental potential. This necessitates that the staffing profile is appropriately constructed through job descriptions, person specifications and appropriate recruitment procedures to ensure that staff have appropriate backgrounds, abilities, experience, attitudes, professional and personal standards. Following the recruitment of appropriate staff, performance development and staff development then become key elements in ensuring that the collective staffing complement is, and remains fit-for-purpose in rapidly developing health and educational environments, and in expanding knowledge and information economies. Investment in Centre staff CPD was made in a number of areas, including: collective, Centre-wide ICT development, targeted investment in developing specific staff in movement analysis, individual staff attending external workshops (mainly organised by LTS) associated with CfE curricular areas and postgraduate study in both business and physiotherapy.

Revised Professional and Personal Development System

The former Personal Development System was replaced by a new process the Professional and Personal Development System (PPDS) which is focused on the ability of staff to fulfil their roles, enable performance assessment and identify developmental priorities.

Family Support Service

The service offers independent support to families of children affected by motor impairment and frequently this is in relation to information associated with the Additional Support for Learning (ASL) Act, provision of additional support in mainstream education and support for school placement requests. Through this service the Centre has also contributed to amendments to the ASL Act. Increasingly the service is being asked for support for families who are working for approval of Local Authority Funding for out of authority placements and in relation to the requirement and creation of Co-ordinated Support Plans (CSP's) including at Tribunal level.

## THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS

### Report of the Board of Governors for the year ended 31 March 2010 – Cont'd

#### ACTIVITIES AND EVENTS

##### Curriculum for Excellence

Scottish Government recently launched the *Curriculum for Excellence (CfE)* 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. The Centre has responded to this major development by establishing curriculum development leadership and responsibilities. The integration of the *CfE* into the Centre's curriculum framework has provided an opportunity to enable those children with whom the Centre engages to become successful learners, confident individuals, effective contributors and responsible citizens.

##### Cross Centre Activities

Following implementation of the HMIE Action Plan the Centre has undertaken significant work to promote cross-Centre working of departments and integration of the Nursery, School and Inreach children for some activities. This has been most evident in the creation of a cross Centre dining facility in which all children eat lunch together in a dedicated dining area and playroom. Dining has always been viewed as an important learning time for children and this added dimension also promotes development of children's social skills. A central children's library has been created which is utilised by both children and families along with becoming a valuable resource during the teaching timetable also. In addition a music area has been installed

##### Summer Music Project

The Centre was successful in securing funding from the 'Art Council' to support a summer music project which involved the creation of musical instruments from junk materials over the summer period and developed in conjunction with a musician. The instruments were used for a concert performance and are now installed for general use in the Centre's Outdoor Learning Environment.

##### External Collaborations

The Department of Early Years Education has continued to build collaborations within the local community and has formed relationships in particular with local mainstream secondary, primary and nursery schools. This has resulted in many visits between establishments and a gala variety performance at the Centre from a local secondary school. This relationship is continuing to develop and it is hoped in the future will include sharing of staff expertise and training. In addition, the Centre has continued to develop strong links with universities through the thriving student placement programmes from Glasgow Caledonian (Occupational Therapy) Queen Margaret (Physiotherapy) and Napier (Child Nursing), Universities

##### GLOW

Centre staff have now received training in the use of GLOW and work has begun to raise the presence of the Centre on the system. Glow will break geographical and social barriers and allow joined-up working throughout Scotland. It will work alongside *CfE* to build capacity and ensure a first-class education for Scotland. GLOW will enhance learning opportunities for children, aid staff CPD and enable collaboration with other education providers.

##### NLC Service Level Agreement

The Centre was proud to launch the completed service level agreement with its 'home' authority North Lanarkshire Council. This enables a formal working partnership between the authority and the Centre and has enabled enhanced admission procedures, transition arrangements and enabled a more collaborative working relationship with the corresponding therapy services.

##### Estates

The Centre has invested in upgrading several of its Estates over the year including hydrotherapy pool equipment upgrades, ICT enhancement including the purchase of a moveable SMART Board and installation of anti-glare technology to high glass areas to aid energy efficiency and temperature control. These works were supported by Scottish Government Grant funding.

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Report of the Board of Governors for the year ended 31 March 2010 – Cont'd**

**FINANCIAL REVIEW**

Income and Expenditure

Income to meet recurrent expenditure amounted to £1,378,643.

Resources from Charitable Activities

The Centre received direct grants from the Scottish Government Support for Learning Division of £754,800. The Centre also received a capital grant totalling £24,374 for hydrotherapy equipment, ICT and other estates upgrades. The governors are grateful 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 £482,829 which is also dealt with as restricted funds in the SOFA.

Resources from Generated Funds

Income from these sources amounted to £141,424 of which £102,379 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 £1,180,687 for the provision of conductive education represented 95.0% of overall expenditure, the same percentage as in the previous year. £66,484 was incurred in generating funds and governance costs amounted to £10,120.

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 the net book value of fixed assets and restricted revenue reserves that the Centre has accumulated. The Centre management has confirmed with the Scottish Government that it has and has always had 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).

Investment Policy

As a consequence of the circumstances described 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.

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**

Recruitment of full-/part-time pupils has been an issue at various points of the Centre's existence, however LA funding pressures are bringing this issue to a critical level. An increasing number of pupils have 'split placements' between the Centre and mainstream schools, thus reducing the FTE pupil population. It is anticipated that 2010/11 will see a substantial reduction in the full-/part-time time day pupil population. In contrast with a falling day pupil population, and following 3 successive years of growth, the part-time for inreach population is anticipated to remain stable. It is anticipated that the inreach FTE population will exceed the FTE day pupil population during 2010/11, evidence of changing educational and funding landscapes.

The reduction in fee income resulting from the drop in full-/part-time day pupils will not be balanced by the high number of inreach attendees. For a number of years the income generated by Friends has not matched the sums being given to the Centre, with the result that Friends' reserves are depleted, this may require a reduction in the future support for the Centre from Friends beyond 2010/11. In addition, Friends of the Craighalbert Centre (Friends) the Centre's charitable fundraising arm, in line with other charities is having difficulty in generating funds to support the range of services not funded by Scottish Government and LA income. It is therefore imperative that the development of alternative services is accelerated to ensure the Centre's long-term future viability.

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Report of the Board of Governors for the year ended 31 March 2010 cont'd.**

**FINANCIAL REVIEW – Cont'd**

The Board and the CMT have therefore articulated an exciting and demanding vision with the aim of establishing the Centre as a major contributor to the educational and health milieu associated with brain injured children. Realising this vision will provide many exciting and challenging opportunities for development which require radical changes in orientation, outlook and a determination to progress.

The Centre's objectives for 2010/11 are summarised below and will contribute to this overall direction of travel. The 2010/11 objectives can be regarded in three overlapping and interacting categories ie:

- Building and developing current services.
- Organisational development and progression.
- Pursuing strategic objectives.

Building and Developing Current Services

The objectives associated with building and developing current services include:

- Progressing activities associated with the HMIE Action Plan and developing this into an active and appropriate School Improvement Plan.
- Exploration of extending where appropriate, the age range and nature of the pupil population to include formal acceptance of children beyond 7 or 8 years of age to the Day Pupil service, traditionally the leaving age of children at the Centre, and identification of children who may benefit from the Centre's services in addition to those with cerebral palsy. Through these changes it is hoped to generate additional fee income.

Organisational Development and Progression

The objectives associated with more strategic developments and changing the Centre's orientation include:

- Developing a range of more flexible services to be delivered in the Craighalbert building to include after school provision and extension of the Saturday School service.
- Developing a range of services which will involve partnership development with LAs and other organisations to include exploration of outreach service delivery within Local Authority service areas and the provision of formal CPD programmes.
- Establishing a professional profile which befits a national government-funded organisation and enables delivery of best value services and practices and the continuing implementation of the Centre's change programme/Terms and Conditions review to ensure these are fit for purpose and can strategically and financially support the long term delivery of the Centre's services.

Pursuing Strategic Objectives

Action will be initiated to pursue several of the Centre's founding objectives, which include research and development including publishing scholarly and other works, continued engagement with universities and the development of Conductive Education.

**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 charitable company and the incoming resources and application of resources, including the net income and expenditure, of the charitable company for the year. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;

**Report of the Board of Governors for the year ended 31 March 2010 cont'd.**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES cont'd**

- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The governors are responsible for keeping adequate accounting records, that disclose with reasonable accuracy at any time the financial position of the charitable company and 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. The applicable law also sets out the governors' responsibilities for the preparation and content of the trustees Governors' Report.

The governors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.


**Auditor**

A resolution proposing the re-appointment of Chiene + Tait as auditor will be put to the members at the annual general meeting.

**Small company exemptions**

This report has been produced in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

By order of the Board



H Fraser, Chairman

Date: 10/8/10

## **INDEPENDENT AUDITOR'S 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 2010 set out on pages 16 to 24. 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 April 2008).

This report is made solely to the members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006, 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 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 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 auditor**

The governors' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Governors' Report and the financial statements in accordance with applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Governors' Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of governors' remuneration specified by law are not made.

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 AUDITOR'S 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 of the state of the charity's affairs as at 31 March 2010 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 United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been prepared in accordance with the Companies Act 2006, 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.

*Malcolm Beveridge*

Malcolm Beveridge BA CA (Senior Statutory Auditor)  
For and on behalf of  
CHIENE + TAIT  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

25 August 2010

**SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Statement of Financial Activities**  
**For the year ended 31 March 2010**

		Unrestricted Funds £	Restricted Funds Income £	Restricted Funds Capital £	2010 Total £	2009 Total £
	Notes					
<b>Incoming Resources</b>						
<b>Resources from charitable activities:</b>						
Grants for conductive education	2	-	754,800	24,374	779,174	845,368
Fees for conductive education	2	-	482,829	-	482,829	511,693
<b>Resources from generated funds:</b>						
Courses, modules, etc.		-	881	-	881	3,908
Rental income		-	25,402	-	25,402	25,747
Staff meals		-	12,085	-	12,085	11,287
Donations	3	-	102,545	-	102,545	132,631
Deposit interest		<u>410</u>	<u>101</u>	<u>-</u>	<u>511</u>	<u>6,384</u>
<b>Total incoming resources</b>		<u>410</u>	<u>1,378,643</u>	<u>24,374</u>	<u>1,403,427</u>	<u>1,537,018</u>
<b>Resources expended:</b>						
Charitable activities:						
Provision of conductive education		-	1,180,687	164,303	1,344,990	1,450,707
Costs of generating funds		-	66,484	-	66,484	57,567
Governance costs		<u>-</u>	<u>10,120</u>	<u>-</u>	<u>10,120</u>	<u>10,412</u>
<b>Total resources expended</b>	5	<u>-</u>	<u>1,257,291</u>	<u>164,303</u>	<u>1,421,594</u>	<u>1,518,686</u>
Net incoming/(outgoing) resources before transfers		410	121,352	(139,929)	(18,167)	18,332
<b>Transfers between funds</b>		<u>-</u>	<u>(12,874)</u>	<u>12,874</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		410	108,478	(127,055)	(18,167)	18,332
Fund balances brought forward at 1 April 2009	10	<u>24,886</u>	<u>232,709</u>	<u>3,131,313</u>	<u>3,388,908</u>	<u>3,370,576</u>
<b>Fund balances carried forward at 31 March 2010</b>	10	<u>25,296</u>	<u>341,187</u>	<u>3,004,258</u>	<u>3,370,741</u>	<u>3,388,908</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 £164,303 (2009 : £154,028)

All incoming resources and resources expended derive from continuing activities.

The notes on pages 18 to 24 form part of these financial statements



**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Balance Sheet**  
**As at 31 March 2010**

	Notes	2010 £	2009 £
<b>Fixed Assets</b>			
Tangible assets	6	<u>3,004,258</u>	<u>3,131,313</u>
<b>Current Assets</b>			
Debtors	7	5,894	32,950
Cash at bank and in hand		16,760	17,677
Cash on deposit		<u>365,003</u>	<u>274,405</u>
		387,657	325,032
<b>Creditors: Amount falling due within one year</b>	8	<u>(21,174)</u>	<u>(67,437)</u>
Net current assets		<u>366,483</u>	<u>257,595</u>
<b>Total assets less current liabilities</b>		<u>3,370,741</u>	<u>3,388,908</u>
<b>Net assets</b>		<u>3,370,741</u>	<u>3,388,908</u>
<b>Funds</b>			
Restricted funds	11	3,345,445	3,364,022
Unrestricted funds	11	<u>25,296</u>	<u>24,886</u>
		<u>3,370,741</u>	<u>3,388,908</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**APPROVED BY THE BOARD OF GOVERNORS**  
**and signed on its behalf by:**

**H Fraser**  
**Chairman**



**Date:**

10/8/10

Company registration number: SC129291

The notes on pages 18 to 24 form part of these financial statements

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2010**

**1. Accounting Policies**

**Basis of accounting**

The financial statements have been prepared on the historical cost basis of accounting and in accordance with Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Incoming Resources**

Grants receivable from the Scottish Government Education Department towards operating costs are credited to the Statement of Financial Activities (SOFA) in the year in which they accrue and are treated as restricted funds.

Grants from the Government and donations for the purchase of assets capitalised in the financial statements are recognised in full in the SOFA within the restricted capital fund in the year in which they accrue. The depreciation of these items is treated as an expense of the restricted fund.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided as restricted funds.

**Resources expended**

All expenditure is accounted for on an accruals basis.

Costs of generating funds comprise the costs associated with attracting voluntary income and costs to support other fund raising activities.

Charitable expenditure comprises those costs incurred by the Centre in meeting its charitable purpose: the provision of conductive education.

Governance costs are those costs associated with meeting the constitutional and statutory requirements of the Centre and include audit fees and costs linked to the strategic management of the Centre.

Support or overhead costs not directly attributable to an activity are allocated on the basis of an estimate of the time spent by staff on relevant duties and the nature of non staff expenditure incurred.

**Depreciation**

Items of equipment for which capital grants are received are capitalised in the financial statements.

Items of equipment for which revenue grants are receivable and all items costing individually less than £1,000 are written off to revenue in the year of purchase.

The land of the Craighalbert Centre is not depreciated.

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

Buildings of the Craighalbert Centre	50 years
Buildings, other than the Craighalbert Centre	20 years
Improvements to buildings	10 years
Equipment	5 years
Motor vehicles	4 years

**VAT**

The Centre is not registered for VAT and accordingly expenditure includes VAT where appropriate.

**Operating leases**

Rentals payable under operating leases are charged to the SOFA as incurred over the term of the lease.

## THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS

### Notes to the Financial Statements

For the year ended 31 March 2010 – Cont'd

#### Accounting Policies – cont'd

##### Pensions

The Centre participates in the Strathclyde Pension Fund, the Scottish Teachers' Superannuation Fund and the Scottish Health Service Superannuation Fund, all of which provide benefits based on final pensionable salary. The assets of the schemes are held separately from those of the Centre in independently administered funds. Contributions to the schemes are charged to the SOFA so as to spread the cost over the employees' working lives with the Centre.

##### 2. Grants and Local Authority Fees

The Centre receives a grant from the Scottish Government Education Department towards operating costs. Income is also received from Scottish Local Authorities who refer children to the Centre. This income, together with related operating costs, is dealt with as restricted funds in the financial statements.

##### 3. Donations

	2010	2009
	£	£
The Friends of the Craighalbert Centre	102,379	132,506
Other donations	<u>166</u>	<u>125</u>
	<u>102,545</u>	<u>132,631</u>

Details of the donations from The Friends of Craighalbert Centre are given in note 10. All funds raised by the fundraiser are donated to the Friends of the Craighalbert Centre in accordance with an arrangement acknowledged by the Scottish Government Education Department.

##### 4. Staff numbers and costs

The average monthly number of employees of the centre during the year was: -

	2010	2009
	No.	No.
Administration	5	5
Teaching	22	24
Non-teaching	<u>13</u>	<u>14</u>
	<u>40</u>	<u>43</u>

The aggregate remuneration and associated costs of the Centre's employees were: -

	2010	2009
	£	£
Wages and salaries	839,933	894,327
Social security costs	50,415	51,903
Pension costs	<u>86,349</u>	<u>121,340</u>
	<u>976,697</u>	<u>1,067,570</u>

The Governors received no remuneration during the year, except for reimbursed expenses of £nil (2009:£118).

One employee received remuneration in excess of £60,000 (within the band of £60,000-£70,000).

This employee has benefits accruing under a defined benefit pension scheme.

The governors of the charity are indemnified out of the assets of the company against any liability incurred in that capacity in defending any proceedings in which judgement is given in favour or in which there is an acquittal or in connection with any application in which relief is granted by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

The annual premium was £3,098.

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2010 – Cont'd**

**5. Total resources expended**

	<b>Conductive Education</b>	<b>Generating Funds</b>	<b>Governance</b>	<b>Total 2010</b>	<b>Total 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Allocated directly to activities:					
Remuneration and associated costs	845,414	40,554	-	885,968	983,104
Training and conferences	8,884	-	-	8,884	8,159
Staff recruitment	<u>2,125</u>	<u>-</u>	<u>-</u>	<u>2,125</u>	<u>7,417</u>
	856,423	40,554	-	896,977	998,680
Service costs	42,057	9,205	-	51,262	89,940
Property costs	7,196	-	-	7,196	38,644
Office and administration costs	2,523	-	-	2,523	4,327
Governors' expenses	-	-	-	-	118
Auditor's remuneration	-	-	4,895	4,895	5,407
Fundraiser's expenses	-	3,965	-	3,965	9,401
Depreciation	<u>164,303</u>	<u>-</u>	<u>-</u>	<u>164,303</u>	<u>154,028</u>
Total direct costs	1,072,502	53,724	4,895	1,131,121	1,300,545
Support costs allocated (see below)	<u>272,488</u>	<u>12,760</u>	<u>5,225</u>	<u>290,473</u>	<u>218,141</u>
Total resources expended	<u>1,344,990</u>	<u>66,484</u>	<u>10,120</u>	<u>1,421,594</u>	<u>1,518,686</u>

Support costs are allocated as follows:

Remuneration and associated costs	81,657	4,537	4,537	90,731	84,575
Travel and motor expenses	10,492	552	-	11,044	8,983
Service costs	1,255	66	-	1,321	2,667
Property costs	118,309	6,227	-	124,536	80,262
Office and administration costs	42,067	690	-	42,757	23,740
Treasurer's fees	6,332	-	-	6,332	4,750
Equipment leasing	<u>12,376</u>	<u>688</u>	<u>688</u>	<u>13,752</u>	<u>13,164</u>
Totals allocated to activities	<u>272,488</u>	<u>12,760</u>	<u>5,225</u>	<u>290,473</u>	<u>218,141</u>

**6. Tangible assets**

	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 31 March 2009	86,101	3,706,757	377,727	107,228	4,277,813
Additions	-	14,674	22,574	-	37,248
Disposals	<u>-</u>	<u>-</u>	<u>(41,230)</u>	<u>-</u>	<u>(41,230)</u>
At 31 March 2010	86,101	3,721,431	359,071	107,228	4,273,831
<b>Depreciation</b>					
At 31 March 2009	-	839,892	257,228	49,380	1,146,500
Charge for year	-	109,103	28,393	26,807	164,303
Released on disposal	<u>-</u>	<u>-</u>	<u>(41,230)</u>	<u>-</u>	<u>(41,230)</u>
At 31 March 2010	-	948,995	244,391	76,187	1,269,573
<b>Net Book Value at 31 March 2010</b>	<u>86,101</u>	<u>2,772,436</u>	<u>114,680</u>	<u>31,041</u>	<u>3,004,258</u>
<b>Net Book value at 31 March 2009</b>	<u>86,101</u>	<u>2,866,865</u>	<u>120,499</u>	<u>57,848</u>	<u>3,131,313</u>

A standard security in favour of the Scottish Government Education Department has been granted in accordance with note 10.

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**

**Notes to the Financial Statements**

**For the year ended 31 March 2010 – Cont'd**

<b>7. Debtors</b>	<b>2010</b>	<b>2009</b>
	£	£
Trade debtors	5,894	10,175
Scottish gas overpayment	-	5,934
The Friends of the Craighalbert Centre	-	16,841
	<u>5,894</u>	<u>32,950</u>
<b>8. Creditors: amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
	£	£
Bank overdraft	41	55,816
Trade creditors	1,206	548
Accruals	<u>19,927</u>	<u>11,073</u>
	<u>21,174</u>	<u>67,437</u>
<b>9. Taxation</b>		

The Centre is recognised by HM Customs & Revenue as a charity and accordingly no liability to corporation tax is anticipated on any of its income.

**10 Statement of funds**

	At 1 April 2009	Income	Expenditure	Transfers	At 31 March 2010
	£	£	£		£
Unrestricted fund					
Development fund	24,886	410	-	-	25,296
Restricted funds					
Conductive education:					
Revenue fund	232,709	1,378,643	(1,257,291)	(12,874)	341,187
Capital fund	<u>3,131,313</u>	24,374	<u>(164,303)</u>	<u>12,874</u>	<u>3,004,258</u>
Total funds	<u>3,388,908</u>	<u>1,403,427</u>	<u>(1,421,594)</u>	<u>-</u>	<u>3,370,741</u>

Transfers between the Revenue and Capital Funds are made to provide for Capital Expenditure incurred by the Centre which are not funded by another source. Government Capital grants cover only a percentage of qualifying expenditure and The Friends of the Craighalbert Centre provide funding from time to time for specific capital items.

The development fund is a free fund not designated for a particular purpose.

Restricted funds are funds given for a particular purpose. The restricted funds held by the Centre are used wholly to provide conductive education.

The Revenue fund receives grants from the Scottish Government Education Department, fees from local authorities, donations and income from other sources to meet the operating costs of the Centre. Included within the Revenue fund income are the following donations from The Friends of Craighalbert Centre amounting to £102,379– Hydrotherapy Pool running costs £18,000, Sponsored Services (Under Two's) £34,480, Sponsored Services (Siblings) £5,520, Fundraisers salary and expenses of £42,000, grants for equipment repairs of £1,675 and a grant for a communal area of £704.

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2010 – Cont'd**

**10. Statement of Funds – Cont'd.**

The Capital fund represents the net book value of the Centre's buildings and other fixed assets. Capital grants have been received by the Centre for specific purposes.

Standard securities have been granted in respect of these grants over the land and buildings at the Craighalbert Centre, 1 Craighalbert Way, Cumbernauld and also over the residential buildings owned by the Centre.

**11. Analysis of group net assets between funds**

	Fixed Assets £	Net Current Assets £	Total £
Unrestricted funds			
Development fund	-	25,296	25,296
Restricted funds			
Conductive education:			
Revenue Fund	-	341,187	341,187
Capital fund	<u>3,004,258</u>	<u>-</u>	<u>3,004,258</u>
	<u>3,004,258</u>	<u>366,483</u>	<u>3,370,741</u>

**12. Share Capital**

The Centre is a company limited by guarantee and therefore has no share capital. Each member undertakes to contribute an amount not exceeding £1, in the event of the company being wound up.

**13. Pension Schemes**

The Centre operates three defined benefit pension schemes which provide benefits on final pensionable pay. In all cases the assets of the schemes are held, separately, from those of the Centre, in independently administered funds.

The details of the schemes are:

a) Strathclyde Pension Fund.

The fund is a multi-employer defined benefit scheme, administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended. Whilst SSAP 24 'Accounting for pension costs' disclosure and measurement principles have been applied in these financial statements, the disclosure below sets out the transitional disclosures required by FRS 17 'Retirement benefits' for the current year.

A full actuarial valuation was carried out at 31 March 2008 by a qualified independent actuary using the projected unit method. The market value of the Scheme's assets at the valuation date was £9,479 million. The major assumptions used by the actuary were:

<b>31 March 2008</b>	<b>% per annum</b>
Price increases	3.6%
Salary increases	5.1%
Pension increases	3.6%
Discount rate	6.1%

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2010 – Cont'd**

**13. Pension Schemes – cont'd**

Expected return on assets:

Equities	6.7%
Bonds	5.0%

The valuation revealed a shortfall of assets compared to past service liabilities of £486 million (equivalent to a past service funding level of 95%). On the basis of the valuation assumptions the actuary provides recommendations for future contribution rates that would be necessary if a funding level of 100% is to be targeted over a period equal to the remaining working lifetime of employees. At 31 March 2010 the fund is estimated to be 89.8% funded.

For the year to 31 March 2010 the contributions of employees were changed to a single tiered system dependent on salary earned. Contribution rates for Centre employees range from 5.5% - 7.2%

For the year to 31 March 2011, the Centre's contributions have been notified as:

	<b>Non-manual</b>	<b>Manual</b>
Year to 31 March 2011	18.2 %	no longer contribute

**b) Scottish Teachers' Superannuation Scheme (STSS)**

The STSS is an unfunded multi-employer defined benefit scheme. It is accepted that the treatment can be as a defined contribution scheme as the Centre is unable to identify its share of the underlying assets and liabilities of the scheme. A full actuarial valuation was carried out at 31 March 2005. The results of this valuation were rolled forward to give a liability of £19.33 billion at 31 March 2008. The financial assumptions used in this valuation included:

<b>31 March 2008</b>	<b>% per annum</b>
Salary increases	1.0 %
Price increases	2.5%
Discount rate	5.3 %

As the scheme is unfunded, there can be no surplus or shortfall. Pension contribution rates will be set by the schemes actuary at a level to meet the cost of pensions as they accrue. Employer contribution rates are reviewed every five years following a scheme valuation by the Government Actuary. For the year to 31 March 2010 the contributions of the Centre and employees were 14.9% and 6.4% respectively.

**(c) National Health Service Superannuation Scheme (Scotland) (NHSSS)**

The NHSSS is an unfunded multi-employer defined benefit scheme. It is accepted that the treatment can be as a defined contribution scheme as the Centre is unable to identify its share of the underlying assets and liabilities of the scheme. A full actuarial valuation was carried out at 31 March 2004. The results of this valuation were rolled forward to give a liability of £21.1 billion at 31 March 2008. The financial assumptions used in this valuation included:

<b>31 March 2008</b>	<b>% per annum</b>
Salary increases	1.0 %
Price increases	2.5%
Discount rate	5.3 %

As the scheme is unfunded there can be no surplus or shortfall. Pension contribution rates will be set by the schemes actuary at a level to meet the cost of pensions as they accrue. From 1 April 2004 the contributions of the Centre and employees were set at 14.0% and 6% respectively on the advice of an interim report from the Government Actuary. For the year to 31 March 2010 the contributions of the Centre and employees were 13.5% and 6.5% respectively.

**THE SCOTTISH CENTRE FOR CHILDREN WITH MOTOR IMPAIRMENTS**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2010 - Cont'd**

**13. Pension Schemes -- cont'd**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
The total pension charges for the year were	<u>86,349</u>	<u>121,340</u>

**14. Financial Commitments**

As at 31 March 2010 the company had annual commitments under non-cancellable operating leases, other than for land and buildings, as follows:

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Annual commitments under operating leases:		
Expiring between two and five years	<u>14,141</u>	<u>13,253</u>