

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

**REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 March 2010**

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

# EVALUATION SUPPORT SCOTLAND

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# **EVALUATION SUPPORT SCOTLAND**

## **Legal and administrative information**

Evaluation Support Scotland is a charitable company. It was incorporated on 16 May 2005 as a company limited by guarantee. It received recognition as a Scottish Charity on 25 May 2005. It is governed by a Memorandum and Articles of Association.

### **Registered office**

Thorn House  
5 Rose Street  
Edinburgh  
EH2 2PR

### **Trustees**

John Arthur  
Patrick Boase (appointed 18 September 2009)  
Mary Craig OBE – Convenor (from 18 September 2009)  
Emma Crawshaw (appointed 18 September 2009)  
Fraser Falconer – Convenor (until 18 September 2009)  
Dr Sam Gardner  
Kirsten Gooday (appointed 18 September 2009)  
Ewan Malcolm (resigned 20 July 2009)  
Professor Linda McKie  
Dr Sue Northrop (previously Warner) (resigned 18 September 2009)  
Rev Barbara O'Donnell (appointed 18 September 2009)  
Dr Nicola Richards – Treasurer (until 16 November 2009)  
Rev Jayne Scott (resigned 15 May 2009)  
Robin Sinclair – Treasurer (appointed 16 November 2009)  
Keith Wimbles

The directors of the charitable company, who are its trustees for the purposes of charity law, are collectively referred to throughout this report as trustees.

**Company Secretary and Chief officer:** Steven Marwick  
**(Known as Director)**

### **Other current staff:**

Jennifer Challinor (Information and Marketing Officer), Cecilia Corcoran (Finance and Administration Officer), Dee Fraser (Policy and Development Officer), Diane Kennedy, (Evaluation Support Officer), Jacqueline McDowell (Evaluation Support Officer), Graeme Reekie (Training and Support Officer), Priyanka Subhashree (Administration Assistant)

### **Auditors**

Geoghegans  
Chartered Accountants  
6 St Colme Street  
Edinburgh  
EH3 6AD

### **Bankers**

Bank of Scotland  
38 St Andrew Square  
Edinburgh  
EH2 2YR

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010**

The trustees of Evaluation Support Scotland (ESS), who are also directors for the purposes of company law, present their report and the audited financial statements for the period from 1 April 2009 to 31 March 2010.

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

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

Three trustees retired this year and five new trustees were recruited through open advert. A pack of materials including terms of reference for the board and a role description for individual trustees was provided to applicants. Applications are made by application form. A shortlist of candidates was selected and interviewed by a panel of existing trustees (the nominations committee). Trustees all have the skills set out in the role description and the board also ensures that it contains a mix of trustees with experience of funding voluntary organisations, of working in the voluntary sector and of evaluation theory and practice. Trustees are normally appointed for 3 years and can serve a maximum of 6 years. A rota system for retirement is in place.

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

New trustees receive an induction pack and induction with the director (who is also the company secretary). An away day for trustees and staff took place in February 2010. The trustee handbook is updated annually. It incorporates good practice guidance from OSCR.

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

The board operates to terms of reference. The board conducts its business through regular meetings (2 months). The board met 7 times throughout the year and also had an away day. The board currently has two standing committees: Finance and Human Resources. A short life nominations committee was set up to recruit new trustees. Another short life working group concluded its work to write an income generation strategy. A new short life working group was set up to oversee the writing of the new strategic plan.

Trustees also follow an agreed policy on conflicts of interest. A register of interest is held and regularly reviewed and specific interests are declared at the start of each board meeting.

##### ***Special resolution to alter the Memorandum and Articles of Association***

A special resolution to amend the Memorandum and Articles of Association to bring ESS's charitable objectives in line with the Charities and Trustee Investment (Scotland) Act 2005 was approved at the AGM on 18 September 2009. The amendments were approved by the Office of the Scottish Charity Regulator. Companies House was informed appropriately.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (continued)**

#### ***Risk Policy***

The trustees have examined the major governance, operational, financial, reputational, environmental and legal risks which the charity faces and confirm that there are policies, procedures and contingencies in place to manage and reduce these risks. The risk register is reviewed annually and the board receives regular reports on the management of significant risks.

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

#### **Objectives and activities**

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

ESS's charitable objects [***until 18 September 2009***] were:

1. To advance education by promoting learning about evaluation and the results of evaluation as a process which can be used to improve the delivery of services for people in necessitous circumstances throughout Scotland; and in support of that object but not otherwise:
  - (i) to encourage life long learning and education through the involvement of service users in the delivery and improvement of services;
  - (ii) to provide advice and support for charities and other organisations undertaking or funding charitable work about undertaking and learning from evaluation of their activities;
  - (iii) to support charities and other organisations undertaking or funding charitable work in delivering better services to people in necessitous circumstances including, but without prejudice to the generality, young people, older people, unemployed people, disabled people, people suffering from health or social problems, people living in disadvantaged neighbourhoods and people from minority ethnic communities;
  - (iv) to improve the delivery of services for people in necessitous circumstances by encouraging funders, voluntary organisations and others to work together to reduce bureaucracy and implement learning about effective service delivery;
  - (v) to encourage Government and other agencies to learn from the results of evaluation and thus make better use of resources for the benefit of the public.
2. To promote such other purposes, objects or institutions as are charitable in law and in such proportions and manner as the trustees shall think fit.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (continued)**

ESS's charitable objectives **from 18 September 2009** are as follows:

1. To promote the effectiveness and efficiency of charities and of the voluntary sector by promoting learning about evaluation and the results of evaluation as a process which can be used to improve the delivery of services for the public benefit throughout Scotland; and in support of that object but not otherwise:
  - (i) to encourage life long learning and education through the involvement of service users in the evaluation and improvement of services;
  - (ii) to provide advice and support to charities and other organisations undertaking or funding charitable work about undertaking and learning from evaluation of their activities;
  - (iii) to support charities and other organisations undertaking or funding charitable work in delivering better services to those in need by reason of youth, old age, unemployment, disability, health or social problems or other disadvantage and further including, without prejudice to the generality, those living in disadvantaged neighbourhoods and minority ethnic communities;
  - (iv) to improve the delivery of services for the public benefit by encouraging funders, voluntary organisations and others to work together to reduce bureaucracy and to implement learning about effective service delivery;
  - (v) to encourage Government and other organisations to learn from the results of evaluation and thus make better use of resources for the benefit of the public.
  
2. To promote such other purposes, objects or institutions as are charitable in law and in such proportions and manner as the Trustees shall think fit.

In order to deliver the charitable objects, ESS has developed a logic model. This is a validated model of planning and delivery which ensures a link between activities and outcomes. ESS's logic model derives from research, consultation and experience and can be expressed as follows:

- Voluntary organisations and charities need support to deliver the very best services they can in order to meet their own charitable objectives.
- In order to do this they need to evaluate and learn from their own practice and also from wider research evidence.
- However many voluntary organisations and charities and those who fund them have difficulty in developing the understanding, skills and resources to undertake evaluation and to learn from it. In addition the demands of monitoring, with an emphasis on accountability and process, make it difficult for groups and funders to focus on evaluation for learning.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (continued)**

ESS's 3 year plan details our mission, values, outcomes and activities that are set in order to meet the identified need. Annual plans are also developed to refine the business plan and build in ongoing learning to the business model. This was the second year of the Strategic Plan 2008-11.

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

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

ESS's values that underpin our work are:

- To work openly and fairly and wherever possible in positive partnership with others.
- To be friendly and accessible and work in a way that meets people's different needs and abilities.
- To promote learning by using and helping others to use evaluation to improve the delivery of services for communities.
- To promote a culture of honesty so that a fair appraisal of the weaknesses of a piece of work leads to learning and understanding and not punishment.
- To use whatever methods are most appropriate to learn, and not be wedded to one particular evaluation approach.
- To promote a culture of learning within ESS itself, including undertaking regular evaluations of our own work and learning from our successes and weaknesses.
- To seek to resolve tensions and conflict directly and collaboratively. If a specific issue arises which cannot be resolved by direct dialogue, the issue is referred to independent mediation.

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

ESS's outcomes are as follows:

- Voluntary organisations and funders have increased skills and knowledge to evaluate their work.
- Voluntary organisations and funders have increased ability to incorporate learning from evaluation to improve their services.
- Voluntary organisations deliver better services as a result of learning from evaluation.
- Voluntary organisations and funders spend less time and resources on ineffective monitoring.

A 5<sup>th</sup> internal outcome is that ESS is a well run organisation and a good place to work.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (continued)**

In order to achieve these outcomes, ESS:

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

### **Main activities and achievements**

ESS collects appropriate information about our work with clients on a database and in paper files. Progress towards the ESS outcomes is measured using before and after assessments and client feedback. We also follow up workshop delegates and organisations who receive 1-1 support after their intervention to find out whether any changes have been sustained. We get feedback from funders and commissioners.

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

1. Overall we provided evaluation support to 357 voluntary organisations. This was a 17% increase on the previous year. Evaluation support consisted of tailored support, workshops and phone and email.
2. We worked in 31 local authority areas. The top 3 were Edinburgh, Glasgow and Dundee. The exception was Inverclyde.
3. 577 people from 246 organisations attended an ESS workshop on different aspects of evaluation (Target: 350 people, last year: 394 people). We ran 60 workshops (target 40, last year 44). Our core programme contains 4 workshops on setting outcomes, collection information, visual approaches and analysing and reporting. We added 3 workshops to our core programme – for funders and on logic modelling and qualitative information. We continue to see year-on-year improvements in achievement of workshop learning outcomes. Post-workshop follow-up 3-6 months after events shows that not only do participants report improvements in evaluation practices but that project planning and ability to apply for funding are also improved. For example one participant said: *"I am now more confident in defining targets for behaviour change initiatives, something I previously thought impossible. Being able to measure and define outcomes has also helped me communicate the project's successes to the local community and media. All in all I have found the training very practical and appropriate to my project."*

## EVALUATION SUPPORT SCOTLAND

### Trustees' annual report for the year ended 31 March 2010 (continued)

4. We delivered 177 tailored support sessions for 123 voluntary organisations (*Target: 150 sessions for 120 organisations. Last year 175 sessions for 116 organisations*). We provided tailored support to 11 others (funders). We continue to build the evaluation skills and confidence of organisations through tailored support. We make a positive difference to the evaluation skills and confidence of about 9/10 organisations. We have evidence of evaluation being used for learning for over 6 out of 10 organisations. For example one organisation said: *"I am now more confident regarding the claims we are making regarding the effectiveness of our work and the impact it can have on those who use our services."* Another said: *"The support and training that we have gained from ESS has been invaluable in helping us to understand and articulate our aims and outcomes, and in equipping us with knowledge of the different evaluation methods available to us. By trialling different evaluation methods we feel that we are getting closer to determining which techniques work best with each group and we are continually striving to make the biggest difference that we can to the lives of the young people with whom we work."*
5. We handled 179 telephone or email enquiries (target: 150, last year: 167).
6. We maintained our website of evaluation resources and a database of external consultants. We produced 2 more support guides.
7. Through our strategic partnership with Scottish Government we participated in working groups and forums and provided support in their role as a funder of the voluntary sector. We were seen as a trusted voice, helping them to identify the outcomes of some of their funding and development programmes and contributing to building understanding within Government about the work and impact of the third sector.
8. We worked with Inspiring Scotland to provide support to organisations funded through their two funding programme, the 14:19 Fund and Go Play (from February 2010). In the 14:19 Fund we provided 32 tailored support sessions to 17 organisations and have evidence of increasing evaluation skills in 16 of those organisations. We worked with the Inspiring Scotland team to create a model of the common outcomes in the portfolio of funded organisations. We helped them construct an organisational development review tool. This contract ended in February 2010. We are now working with the Inspiring Scotland Go Play programme to build organisations' evaluation skills and to increase understanding of the difference that play and play organisations make to children's lives

## EVALUATION SUPPORT SCOTLAND

### Trustees' annual report for the year ended 31 March 2010 (continued)

9. Our partnership with the Laidlaw Youth Trust ended this year as the Trust itself wound up. However charities funded by the Trust were still delivering and reporting on funded work so the Trust made provision for us to provide feedback on end of year reports which resulted in support to a further 18 charities. There is evidence that our evaluation support has resulted in many charities having significantly better evidence of the difference they are making to young people's lives. The Laidlaw Youth Trust itself said: *"In the reports we received before our funded charities got support from ESS, we noted a tendency to describe why outcomes were needed and then were given an account of the activities designed to ensure the clients obtained the outcome. But rarely were we able to see evidence that the outcomes had actually been delivered. We now see reports offering more information of individual and programme wide impact, honest reflection of weaknesses in programme planning or delivery and learning."*
10. We began a contract with Lloyds TSB Foundation for Scotland (LTSBFS) to deliver support for up to 20 charities over a period of one year from August 2009, based on a mix of workshop places and tailored support. As a pilot project both sides hoped to learn from the experience. For our part we are trying out a new system of referral and assessment and focussing on leadership issues that affect take up and implementation within organisations. LTSBFS hopes to establish if this support improves the capacity of organisations to learn from and report back their impact. Of 21 charities referred so far 19 were new to ESS. This has enabled us to improve our reach amongst smaller and volunteer led organisations across a broad range of types of activity. Of the 21, 15 have actually accessed support up to March 2010. We have evidence of an increase in skills and knowledge to evaluate their work in 11 cases. In the remaining 4, factors affecting capacity to make use of the learning included funding, governance issues, and illness.
11. We ran training and tailored support for projects funded through the Midlothian Fairer Scotland Fund and for council staff. Positive feedback from projects and the Council showed how ESS was able to make evaluation accessible and to increase participants' ability to demonstrate the impact of their work and how it connected to council strategic aims.
12. We ran training for projects funded through the Climate Challenge Fund and for equalities organisations funded by the Voluntary Action Fund to help them put in place evaluation plans for the funded work.
13. We supported a number of other funders to improve their ability to evaluate the impact of their funding including Scottish Borders Council small grants scheme, Faith in Scotland Community Action Fund, Partnership Drugs Initiative and 7 others.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (continued)**

14. We supported 3 charities through an evaluation support account with Wood Family Trust.
15. We facilitated the Scotland Funders' Forum's Harmonising Reporting working group. The aim was to identify practical steps funders could take to make reports more useful and less burdensome. The group produced a report of recommendations, conclusions and good practice notes which will be published in early 2010/11. Further work is now underway to put the recommendations and conclusions into practice. We made little progress on improving our understanding of how to reduce the burden of financial reporting but further work is planned. Otherwise we believe that if funders adopt the conclusions and good practice recommendations in the report that we produced and if funded organisations also take on board our recommendations for them, reporting will become more effective and less burdensome for all parties. Already the work has influenced reporting requirements at a number of funders including Big Lottery Fund, Self-Management Fund and Lloyds TSB Foundation for Scotland.
16. Since November 2007 we have been working with Community Food and Health Scotland (CFHS) in a collaborative project with local community food and health projects. The work has been split into three stages. The first two stages involved working on building and embedding self-evaluation capacity in the organisations to improve their ability to articulate the impact of their work. The participating projects have got better at evaluating and have used learning from evaluation to deliver better services, as evidenced in the Stage 1 and Stage 2 reports. Both reports provide learning for members of the wider CFHS Network of small community food and health initiatives. In this financial year we consolidated that work in the final stage, Making the Case, and engaged with policy and decision makers. The work was fed into the Government's Maternal and Infant Nutrition Strategy.
17. We worked in partnership with Learning Link Scotland on a pilot project to articulate the outcomes of Scottish voluntary adult learning within the context of national outcomes and Single Outcome Agreement. ESS facilitated an action learning set with 6 voluntary adult learning organisations and fed back to a reference group of Scottish Government, HM Inspectorate of Education, Learning Connections and Lifelong Learning UK. We built a logic model of voluntary adult learning activities and outcomes, which explained in broad terms what was unique about this sector and why they do things in the way they do. We identified some measurement tools which were being commonly used by organisations. Participating organisations improved their confidence and knowledge about evaluation and about their work.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (continued)**

18. We undertook a support programme to assess the evaluation capacity of organisations funded through the Scottish Arts Council's Inspire Fund. This was not a particularly success piece of work for a range of communication and planning reasons. However most of the participating organisations did rethink their approach to evaluation. The Scottish Arts Council has now employed an evaluation support consultant with whom we are working to share learning.
19. We commissioned a scoping project, funded by the Big Lottery Fund's Investing in Ideas funding programme to identify how ESS can support organisations to set up and use ICT systems for storing evaluation information. The consultants who undertook the scoping exercise completed their work in 2009/10 and produced a report in early April. Using this needs analysis we hope to develop new support, advice and guidance for voluntary and community organisations on developing, commissioning and using databases.
20. We ran a highly successful stakeholder conference in January 2010 called "Learning from evaluation – fitting the pieces together". 93 delegates from voluntary organisations, the public sector and funders joined ESS staff and trustees to share experiences about what different organisations and projects are learning from evaluation. A full report, funded by the Scottish Government was published. The vast majority of delegates said that the outcomes of the conference had been achieved and that they had a piece of learning they had taken away from the conference.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (continued)**

#### **Financial review**

ESS's total incoming resources amounted to £279,224 in 2009/10 (2008/09 £290,743). This consisted of:

- A core grant of £116,850 from the Scottish Government Third Sector Division.
- A separate grant from the Scottish Government of £2,500 to pay for a report of the conference.
- A grant of £4,095 from the Big Lottery Fund. This payment had been received in 2008/09 but related to April 2009.
- A separate grant of £10,000 from the Big Lottery Fund's Investing in Ideas Fund to pay for a scoping study.
- Income earned from other charitable activities including training, contracts and bank interest totalling £145,779 (2008/09: £127,565).

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

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

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

ESS provides the following support for free:

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

We do our best to provide half a day of free support to voluntary organisations on a first come, first serve basis. As it is not possible to provide a limitless free service, trustees have resolved the following policy on charging for services to cover the immediate and ongoing costs of providing these services.

- A charge is made for attending workshops. Some free follow up support is usually available.
- Organisations which require more than half day of support (or which have already received free support in the past) are charged a daily rate designed to cover the staff and administration costs of providing the service.
- A service to funders involving bespoke evaluation support for their funded organisations is also charged.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (continued)**

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

The Trustees are of the opinion that ESS should hold free reserves (being unrestricted funds excluding fixed assets) of 6 months running costs. Free reserves were £140,917 at 31 March 2010 (31 March 2009 - £135,204). ESS's budgeted expenditure for 2010/11 is £279,520. The Trustees believe this is prudent because ESS needs to generate 60% of its income from short term contracts and fee income.

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

A strategic plan for the period 2008 to 2011 is in place. The main activities for the coming year 2010/11 are as follows:

- Increase the evaluation capability of at least 300 voluntary organisations through at least 150 sessions of tailored support and at least 40 workshops.
- Roll out and evaluate new ways of building evaluation capacity of the voluntary sector including evaluation workbooks and training the trainer.
- Continue the strategic partnership with Scottish Government to improve understanding of the voluntary sector contribution to Scotland's life and negotiate a continuation of that partnership from April 2011.
- Deliver evaluation support accounts for funders including Lloyds TSB Foundation for Scotland, Wood Family Trust and others to build capability and share learning about what works.
- Work with Inspiring Scotland Go Play Fund to build the capacity of funded projects to evaluate and learn from their work and to increase understanding of funders, organisations and policy makers about the impact of play and play organisations.
- Continue to work with Learning Link Scotland to share more widely the learning from the pilot programme about the difference made by voluntary sector adult learning organisations and how to evaluate that difference.
- Work with SCVO to evaluate the impact of SCVO's work generally and the Supporting Voluntary Action Fund specifically.
- Work with funders to implement the recommendations and good practice of the Harmonising Reporting working group to make reporting to funders more useful and share learning about 'what makes a good report' with voluntary organisations.
- Implement the recommendations from the database scoping project so that ESS can support voluntary organisations to make best use of ICT in storing evaluation data.
- Develop a new strategic plan to come into force in April 2011.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (continued)**

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

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

An income generation strategy is in place to ensure ESS raises sufficient income to cover the running costs of delivering the strategic plan. Reports on achievement of income against target are brought to each board meeting by the Director who also monitors income on a monthly basis.

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

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

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including the net income or expenditure of the charitable company, for the year.

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

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

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (Continued)**

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- (a) there is no relevant audit information of which the charitable company's auditors are unaware, and;
- (b) the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

#### **Directors and trustees**

The trustees, who are also directors for the purpose of company law, who served during the period and up to the date of this report are listed on page 1.

Under the terms of the Articles of Association all the trustees were required to retire from office at the first AGM and, being eligible for reappointment, were reappointed by the members. At each subsequent AGM, one third of trustees (the longest serving trustees) must retire from office. Accordingly, Fraser Falconer, Sam Gardner and Linda McKie will stand down at the AGM in 2010. They are eligible for reappointment for a further 2 years.

## **EVALUATION SUPPORT SCOTLAND**

### **Trustees' annual report for the year ended 31 March 2010 (Continued)**

#### **Auditors**

A resolution proposing the re-appointment of Geoghegans, Chartered Accountants, as auditors of the company will be placed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with *the Statement of Recommended Practice – Accounting and Reporting by Charities* (March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the trustees on 19 July 2010 and signed on their behalf by:

**Mary Craig OBE**

Convenor

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

We have audited the financial statements of Evaluation Support Scotland for the year ended 31 March 2010 on pages 18 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of Evaluation Support Scotland for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 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 and are properly 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 Trustees' Annual Report is consistent with the financial statements.

We also report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

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

## **EVALUATION SUPPORT SCOTLAND**

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

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 March 2010, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 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 Trustees' Annual Report is consistent with the financial statements.

**Michael Crerar (Senior Statutory Auditor)**  
For and on behalf of Geoghegans, Statutory Auditor

27 July 2010

6 St Colme Street  
Edinburgh  
EH3 6AD

## EVALUATION SUPPORT SCOTLAND

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 March 2010

	Notes	Un- restricted £	Restricted £	Total 2010 £	Total 2009 £
<b>Incoming resources</b>					
<i>Incoming resources from charitable activities:</i>					
Grants	3	116,850	14,095	130,945	163,178
Training and project income	4	139,970	-	139,970	117,815
Conference income		4,725	2,500	7,225	-
Other income		75	-	75	830
<i>Incoming resources from generated funds:</i>					
Donations		-	-	-	5,075
Bank interest		1,009	-	1,009	3,845
<b>Total incoming resources</b>		<u>262,629</u>	<u>16,595</u>	<u>279,224</u>	<u>290,743</u>
<b>Resources expended</b>					
Charitable activities	5	249,844	16,662	266,506	246,027
Governance costs	6	<u>7,645</u>	<u>-</u>	<u>7,645</u>	<u>6,822</u>
<b>Total resources expended</b>		<u>257,489</u>	<u>16,662</u>	<u>274,151</u>	<u>252,849</u>
<b>Net movement in funds</b>		5,140	(67)	5,073	37,894
<b>Funds brought forward</b>		<u>135,777</u>	<u>67</u>	<u>135,844</u>	<u>97,950</u>
<b>Funds carried forward</b>		<u>140,917</u>	<u>-</u>	<u>140,917</u>	<u>135,844</u>

The statement of financial activities includes all gains and losses in the year.

All incoming resources and resources expended derive from continuing activities.

## EVALUATION SUPPORT SCOTLAND

### BALANCE SHEET At 31 March 2010

	<b>Notes</b>	2010 £	2009 £
<b>Fixed assets</b>	9	<u>-</u>	<u>740</u>
<b>Current assets</b>			
Bank & cash		142,349	126,414
Debtors	10	<u>32,701</u>	<u>31,229</u>
		175,050	157,643
<b>Creditors: Amounts falling due within one year</b>	11	<u>34,133</u>	<u>22,539</u>
<b>Net current assets</b>		<u>140,917</u>	<u>135,104</u>
<b>Net Assets</b>		<u>140,917</u>	<u>135,844</u>
<b>Unrestricted Funds</b>	12	140,917	127,777
<b>Designated Funds</b>	12	-	8,000
<b>Restricted Funds</b>	12	<u>-</u>	<u>67</u>
<b>Total funds</b>		<u>140,917</u>	<u>135,844</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved and authorised for issue by the Trustees on 19 July 2010 and signed on their behalf by:

**Mary Craig OBE**

Trustee

**Robin Sinclair**

Trustee

**Company Registration No: SC284843**

## **EVALUATION SUPPORT SCOTLAND**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2010**

#### **1. Accounting policies**

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

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and applicable accounting standards. The principal accounting policies adopted in the preparation of the financial statements are as follows:

##### ***Incoming resources***

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income is received by way of grants and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance of the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Activities for generating funds include training income and is included in Statement of Financial Activities when receivable.
- Donated services and facilities are included at the value to the charity where this can be quantified.
- Bank interest is included when receivable.

##### ***Resources expended***

Expenditure is recognised on an accruals basis as a liability is incurred. The charity registered for VAT from 1 November 2007 but expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2010

#### 1 *Accounting policies (continued)*

- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in notes 5 & 6.

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

Tangible fixed assets are stated at cost less provision for diminution in value. Only assets costing more than £1,000 are capitalised.

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

Computer equipment – over 3 years

Office Furniture – over 3 years

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

Funds held by the charity comprise both unrestricted and restricted funds. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose. Unrestricted funds include designated funds where the directors have earmarked funds for a particular purpose.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### ***Pension***

Employees of the charity are entitled to join a defined contribution 'money purchase' pension scheme run by The Pensions Trust. The charge in the financial statements represents the contributions payable by the charity for the period.

#### ***Taxation***

As a charity, Evaluation Support Scotland is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2010

#### 2 **Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

	2010	2009
	£	£
<b>3 Grants</b>		
Scottish Government grant – Core funding	116,850	114,000
Big Lottery Fund grant	4,095	49,178
Big Lottery Fund Database Scoping grant	<u>10,000</u>	<u>-</u>
	<u>130,945</u>	<u>163,178</u>

	2010	2009
	£	£
<b>4 Other income from charitable activities</b>		
Training income	12,636	5,230
Income from workshops	10,924	6,816
Income from contracts	108,048	97,775
Support income	<u>8,362</u>	<u>7,994</u>
	<u>139,970</u>	<u>117,815</u>

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

for the year ended 31 March 2010

5 <b>Cost of charitable activities</b>	Basis of Allocation	Core Activities £	Restricted Activities £	2010 £	2009 £
<b>Direct charitable expenditure</b>					
Staff costs	Staff time	167,376	7,368	174,744	157,764
Staff pension	Staff time	16,283	237	16,520	12,702
Staff training	Direct	2,181	-	2,181	4,618
External training provision	Direct	4,351	-	4,351	5,279
2010 Conference	Direct	4,024	2,500	6,524	-
Support costs (See below)	Direct	55,629	6,557	62,186	65,664
		<u>249,844</u>	<u>16,662</u>	<u>266,506</u>	<u>246,027</u>
<b>Support costs:</b>					
Staff costs	Staff time	22,231	-	22,231	16,170
Staff pension	Staff time	197	-	197	950
Recruitment	Direct	525	-	525	4,603
Insurance	Direct	926	-	926	759
Office costs	Direct	22,139	241	22,380	23,658
Phone & internet	Direct	84	-	84	356
Website development	Direct	1,551	-	1,551	5,494
IT & Office resources	Direct	-	-	-	3,569
Travel & subsistence	Direct	5,350	-	5,350	4,776
Subscriptions	Direct	908	-	908	318
Professional services	Direct	613	16	629	602
Bookkeeping costs	Direct	264	-	264	2,196
Database consultancy fees	Direct	-	6,300	6,300	-
Bank charges	Direct	101	-	101	36
Sundry expenses	Direct	-	-	-	20
Depreciation	Direct	740	-	740	2,157
		<u>55,629</u>	<u>6,557</u>	<u>62,186</u>	<u>65,664</u>
<b>6 Governance</b>					
	Basis of Allocation	Core Activities £	Restricted Activities £	2010 £	2009 £
Staff costs	Staff time	2,958	-	2,958	3,140
Staff pension	Staff time	218	-	218	254
Board expenses	Direct	1,419	-	1,419	637
Trustee Indemnity					
Insurance	Direct	300	-	300	291
Legal fees	Direct	500	-	500	-
Auditors remuneration					
- Audit	Direct	1,500	-	1,500	1,775
- Accounting	Direct	750	-	750	725
		<u>7,645</u>	<u>-</u>	<u>7,645</u>	<u>6,822</u>

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2010

#### 7 Net incoming resources for the year

	2010	2009
This is stated after charging:	£	£
Depreciation	740	2,157
Auditors remuneration – Audit	1,500	1,775
- Other services	750	725
	<u>740</u>	<u>725</u>

#### 8 Staff costs and Trustees' remuneration

	2010	2009
	£	£
Salaries	189,516	160,962
Social security costs	11,517	16,112
Pension costs	16,935	13,906
	<u>217,968</u>	<u>190,980</u>

No trustee received any remuneration during the period. Four trustees received reimbursement of expenses totalling £319 (2009 - One trustees totalling £75) for travelling to Board and other meetings during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2009 - None).

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

	2010	2009
Chief Officer (Director)	1.0	1.0
Development Officers	4.5	3.4
Administration	1.2	1.4
	<u>6.7</u>	<u>5.8</u>

The employees of the charity were members of the charity's pension scheme. £Nil contributions were outstanding at 31 March 2010 (2009 - £Nil).

**EVALUATION SUPPORT SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 March 2010**

9	<b>Tangible Fixed Assets</b>	Computer Equipment £	Office Furniture £	Total £
	<b>Cost</b>			
	At 1 April 2009	10,535	502	11,037
	Additions	-	-	-
	Disposals	-	-	-
		10,535	502	11,037
	At 31 March 2010	10,535	502	11,037
	<b>Depreciation</b>			
	At 1 April 2009	9,962	335	10,297
	Charge for year	573	167	740
	Disposals	-	-	-
		-	-	-
	At 31 March 2010	10,535	502	11,037
	<b>Net Book Value at 31 March 2010</b>	-	-	-
	<b>Net Book Value at 31 March 2009</b>	573	167	740
10	<b>Debtors</b>		2010 £	2009 £
	Trade debtors		30,841	30,642
	Prepayments		610	587
	Accrued Income		1,250	-
			32,701	31,229
	Accrued income comprises the second instalment receivable in relation to the 2010 conference report.			
11	<b>Creditors</b>		2010 £	2009 £
	Taxes and social security costs		10,847	9,433
	Accruals		8,864	6,371
	Deferred income		12,420	6,615
	Other creditors		2,002	120
			34,133	22,539

## EVALUATION SUPPORT SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2010

11 <b>Creditors (continued)</b>	2010	2009
	£	£
Movement in deferred income in year		
Brought forward	6,615	31,172
Released in the year	(6,615)	(31,172)
Deferred in the year	<u>12,420</u>	<u>6,615</u>
	<u>12,420</u>	<u>6,615</u>

*Deferred income comprises grants and workshop income received in advance. The deferred income released in the year was comprised of similar amounts, in particular a Big Lottery Fund Grant of which £4,095 was deferred in 2009.*

#### 12 Funds

	At 31 March 2009 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2010 £
<b>Unrestricted Fund</b>					
General Funds	127,777	262,629	(257,489)	8,000	140,917
Designated Funds					
- IT and Database development	8,000	-	-	(8,000)	-
<b>Restricted Funds</b>					
Big Lottery Fund					
- Revenue	67	4,095	(4,162)	-	-
- Database Scoping	-	10,000	(10,000)	-	-
Conference Report	-	2,500	(2,500)	-	-
	<u>135,844</u>	<u>279,224</u>	<u>(274,151)</u>	<u>-</u>	<u>140,917</u>

## **EVALUATION SUPPORT SCOTLAND**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2010**

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

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

This three year grant was provided by the Scottish Government to cover the core costs of running Evaluation Support Scotland. Core costs include staff costs, office expenditure, volunteer costs, capital expenditure and other costs. 2009/10 is the second year of the current core funding grant award by the Scottish Government.

Under the terms of the funding arrangement the charity may not dispose of any equipment purchased with grant funds within five years of the award without the prior written consent of Scottish Ministers, where the equipment has a minimum value of £1,000.

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

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

##### ***Big Lottery Fund – Revenue Grant***

This three year grant came from the Big Lottery Fund. It fully funded the delivery of direct support to voluntary organisations and covers staff costs, seminar and workshop costs and associated running costs including training, overheads and office equipment.

Under the terms and conditions of the grant, if any part of the grant is used to finance capital expenditure then the charity may not dispose of those assets without prior written consent. If any assets are sold, the charity may need to pay all or part of the grant money received, such an amount being in direct relation to the share of the project costs which was provided by the grant funding.

##### ***Big Lottery Fund – Investing in Ideas***

This 1 year grant came from the Big Lottery Fund and was for consultant fees and ESS staff time. No funding was provided for capital expenditure.

##### ***Scottish Government funding for conference report***

This grant was awarded for the purpose of assisting with the costs attributed to the production and distribution of a conference report. No funding was provided for capital expenditure.