



**Annual Report**

**2008-2009**



## Chairman's report 2009

This is my second report as Chairman of Birthlink since taking over as Chairman in April 2008 as successor to Sheriff A B Wilkinson. Therefore this report relates to a period commencing more or less at the date of my appointment.

In a number of ways, it has been a difficult time. Our accounts for the year to 31 March 2009 show a deficit of almost £30,000, despite strenuous efforts to reduce our expenditure, which is down by almost 10% over the year. The deficit is partly attributable to reduced income, but also to the knock-on effects of our decision, early in 2008, to close our furniture warehouse, which had proved to be unprofitable. We are still required to meet our obligations as tenants of the warehouse premises. It took a considerable time and effort to find a sub-tenant for the premises, and there were legal and other expenses in connection with that. Our most recent analysis suggests that these factors have now worked their way through the system. Our budget for the year 2009-2010, barring accidents, anticipates a very much smaller deficit than in the last two years, with an expectation of breaking even.

Our income from membership fees and donations is down. We have addressed this trend by seeking to rationalise and modernise our membership scheme. That done, we are turning our minds to recruiting more support, from members, supporters or friends of Birthlink, seeking to make the most of the goodwill we know is there and enlarging that supporting group. As it is, I have been encouraged by regular reports of the tangible contributions made by supporters and former clients.

Our thrift shops, and the people who work there, continue to make a significant contribution to our income. Our first thrift shop was established over 50 years ago, the first of its kind in Edinburgh. We would like to have celebrated this event with a make-over of the shop, and our other shop as well, but the state of our funds is such that we cannot afford that just at the moment. That is a factor that makes it difficult for us to compete with larger, UK charities with greater resources.

We have devoted considerable time and effort, since I became Chairman, to seeking further funding from grant-giving organisations, so far without significant success. Local authority contributions have helped us to maintain our services, although a number of Scottish local authorities have still to join those who have provided us with welcome support. The state of the economy, and the results of the governmental borrowing necessitated by the banks crisis, is likely to have serious implications for charities like ourselves. Local authorities will undoubtedly have to make economies. There will be less money for the third sector, of which we are part. We were in the process of preparing an application to the Lloyds TSB Bank Foundation, who had

helped us in the past, when they wrote to us, and a large number of other charities, to say that they are unable to entertain new funding applications until further notice.

What makes this particularly vexing is that we know that the work we do is valuable to society, is in some respects unique, and can have a hugely beneficial effect on people's lives. We exist to enhance the wellbeing and to promote the welfare of all people affected in adult life by adoption, with a Scottish connection, or by childhood care services and fostering through Scottish local authorities. We provide help, support and counselling for people affected by adoption, care or fostering as they seek to find those whom they have lost. We maintain registers and records relating to adoptions within Scotland, with information that cannot be found anywhere else. We provide assistance to local authorities in the fulfilment of their statutory responsibilities towards adults affected by adoption. We are a leading agency in the development of a comprehensive strategy for after adoption and post-care service provision across Scotland.

We have made new contacts, over the past year and a bit, with people in local and national government, with a view to making our services better known. Our social work manager has made good use of a wide network of contacts, particularly within her own profession. Our consultant, Gary Clapton, has among other things edited a new edition of our search guide for adopted people in Scotland, "Relatively Clear". Birthlink has featured in a recent television programme, and had some input into the preparation of one of the "Homecoming" exhibitions in Register House. Our volunteers, including the all important searchers, are in good heart, although we were sorry to lose Ann Mitchell, through retirement, after many years of service.

We regard our Care Connect service, for adults who have been in local authority care, as a particularly valuable extension of our after adoption work. We are the only agency doing this specific type of work in Scotland. There has been an increase in the number of people contacting us as the service becomes better known. Some of the cases can take up a lot of social work time. A careful analysis of how much it costs has shown us that our funders are receiving value for money for this work.

Our Executive Committee has been strengthened by the addition of two new members, one a lawyer and one an accountant, both of them young. We are grateful to their employers for allowing them to join the Board. Unfortunately, for us, Mandy Ferguson is returning to Northern Ireland and will have to be replaced as Finance Director. Very recently, we have been joined by a new Director with an impressive HR and marketing background, also young. All of our directors have worked hard and provided good support, for which I am most grateful. Our secretary, Doris Laing, is retiring after many years of loyal and able support. She is due our grateful thanks.

One of the best experiences this year, for me, was participating in the Birthlink away day, attended by both staff and by committee members. We took a long, hard look at where we were and worked on an update of our business plan. Among matters highlighted were quality of service; sustaining and where possible increasing the capacity of our services; reducing waiting times; recruitment and training of volunteers; and continuing professional development. I was struck by the dedication and thoughtful enthusiasm of all present. Birthlink staff have many difficulties to contend with, not least working in offices that we cannot currently afford to improve or upgrade, but every one of them remains devoted to the aims and objects of Birthlink and to maintaining the high standards of service that has characterised its efforts in the past. Kate McDougall and her team of social workers have set a high standard for themselves and are determined to continue to meet it. Our Executive Officer Linda Powell, with the able support of our two administrators, has been a tower of strength. Her commitment to Birthlink goes well beyond the call of duty.

Richard J D Scott  
Chairperson  
October 2009

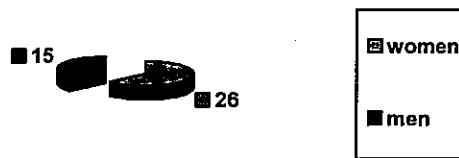
## Social Work Round-Up of 2008/2009

### Care Connect

This service goes from strength to strength. Our contract with City of Edinburgh has been renewed for another year and feedback from clients is fantastic:

“I feel the service has set a wonderful example of how receiving personal records should be applied and through personal experience I think many Social Work Departments could learn an awful lot”  
(from a letter in *The Edinburgh Evening News*)

Edinburgh Care Connect service users



The particular service that we deliver in Edinburgh was started in 2006. The average age of the forty-one people we have helped so far is 43 and their ages range between 24 and 58 years old. As can be seen this work involves reading case records that were written in the early 1950s.

### Staff Development

On the administration front Heather Hall left Birthlink for pastures new, her replacement is Kirsti-Louise Anderson.

### Fundraising Efforts



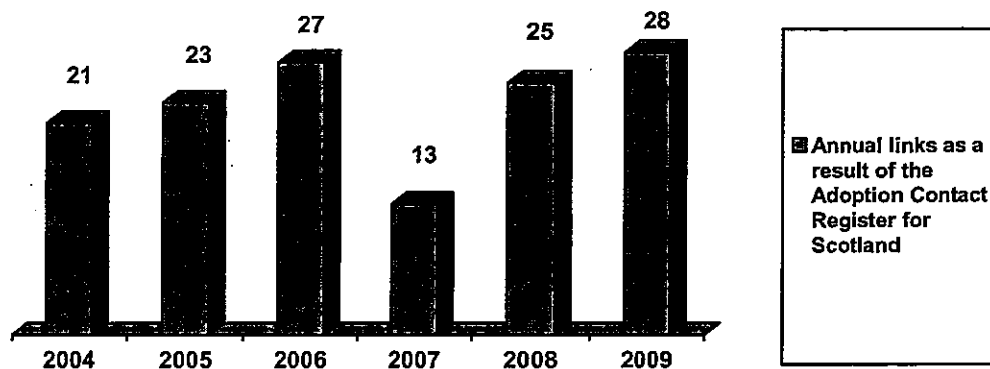
Two big efforts resulted in income of over £2000. These were the 60<sup>th</sup> birthday celebration of ex-employee, Gary Clapton, in December 2008 in which his presents were declined in favour of donations to Birthlink. Then in May 2009 Michael Crosbie was sponsored in the BUPA Great Edinburgh run.

### Media Interest



See Hear is a popular BBC TV programme watched by thousands of deaf people throughout the country and we have been working with the programme team in filming Daryl's search for his birth mother using our search and intermediary services. The latest news is that we found his birth mother. She began working with us to prepare for a meeting with Daryl and they met in the Birthlink offices in June 2009. The meeting wasn't filmed but the run-up and aftermath were, so tune in next month when the next instalment goes out.

## Adoption Contact Register



The number of people linked with each other in 2009 is based on the present rate of two links per month. Margaret and Pat's story is just a sample of the many we are privileged to be part of each year:

"Thank you for all your help in finding my sister and aunt. I met Aunt Helen back in May and she's 92 and a real sweetie. I hope I am as good as she is at that age".

Margaret was adopted in 1941 and registered with us in October 2008. On processing the registration we found out that a sister had been on the Contact Register for seven years and lived in England.

After arranging correspondence and giving support we were happy to hear that both sisters had met in Glasgow in May of this year.

The Adoption Contact Register for Scotland is just one of a portfolio of services that we operate ranging from help with just thinking about searching and contact to support and advice in the post-contact/ establishing relationship phases. Each one needs unique skills and brings its own challenges. As ever Birthlink staff rise to the occasion.

## **Local Authorities**

Birthlink continues to work in partnership with the following local authorities to provide a range of after adoption services to adults affected by adoption with a Scottish connection.

Aberdeen City Council  
Aberdeenshire Council  
Angus Council  
Clackmannanshire Council  
Dumfries & Galloway Council  
Dundee City Council  
East Dunbartonshire Council  
East Lothian Council  
East Renfrewshire Council  
Edinburgh City Council  
Falkirk Council  
Fife Council  
Highland Council  
North Ayrshire Council  
North Lanarkshire Council  
Perth and Kinross Council  
Renfrewshire Council  
Scottish Borders Council  
Shetland Islands Council  
South Lanarkshire Council  
Stirling Council  
West Dunbartonshire Council  
Western Isles Council

Special thanks go to the Birthlink Search Volunteers and Friends of Birthlink for their continuing specialised help and support throughout the year.

Kate McDougall  
Services Manager



## **Birthlink 2008-2009**

This has been a very challenging year in more ways than one. The recession has had a big impact on everyone and particularly for us with regards to finances. The bank has increased its charges and made it more difficult to get and retain an overdraft facility of which we heavily rely. The report from the Auditors testifies to the difficulties we have had over the year.

Our chairperson Richard Scott has been with us for some months now and is working closely with staff to understand how we do things. He has attended several external meetings on behalf of Birthlink to put forward our opinion.

There have been various difficulties over the year with suppliers of services to the organisation. These matters take up a lot of time and energy trying to resolve them. Our new general administrator Kirsti-Louise Anderson who replaced Heather Hall works slightly less hours in an effort to reduce salary costs. Winnie has also reduced her working hours recently though this is not an ideal situation as there is still plenty of work to do but it is a question of trying to manage resource as well as finances.

Various problems with our book keeper resulted in us having to replace her and we now have a company called Allsquare who unfortunately have quite a task trying to unravel the paperwork handed over to them.

The IT Company who installed our database and server has finally agreed to pay for the software to enable it to automatically number the cases. This will make a considerable difference allowing us to access information for clients in an effective timely fashion. The next big challenge will be to input the client information on to the system.

Our website continues to run well with additional and updated information added at regular intervals. If you have any ideas for additional information on the site particularly in relation to funding, please get in touch.

Funding is still a major issue and though there have been many attempts to secure long term funding we have been unsuccessful as yet. Our applications have been well received but there are more and more people vying for the same pot. On a more positive note we have managed to raise smaller amounts through great efforts from staff and supporters.

The major change for me since last year was I moved to the Borders and Colin and I got married in April.

## **The Thrift Shops 2008 -2009**

### **Thrift Shop 1 (Bruntsfield Place) 0131 229 4646**

Things are still running well in Shop 1 which is managed by Dorothy and supported by Maureen and their volunteers, Margaret, Rose, Rachel and a new supporter Dawn. An increase in customers, perhaps due to the recession and people not having as much disposable income is good news for us, as long as we get sufficient donations to satisfy their needs. This shop mostly sells ladies, gents and children's clothes with a small amount of jewellery, books, shoes and handbags. Please make sure any donations of clothes are at least clean and in a good enough order to sell. If they are not good enough to sell we can still accept them for recycling, so please let staff know when dropping of donations.

### **Thrift Shop 2 (Lochrin Buildings – Gilmore Place) 0131 229 6939**

Staff changes required due to unforeseen circumstances in Shop 2 caused quite a few challenges for everyone. Liz rose to the challenge and is now managing the shop alone with help from Kevin and our volunteers Bill, Joy, Sandy and Isobel. Grateful thanks to all for putting in the extra effort at this difficult time. This shop is now doing much better though would benefit from some good quality donations. Bric a brac is the main seller, with small household items in great demand. Books, videos, CD's and small electrical goods are in constant demand so when you are having a clear out you know where to take them. All electrical items are PAT tested before we sell them to make sure they are in working order.

### **Stock Flow and Recycling**

As already stated we are always in need of donations but they must be in a condition fit to sell unless they are old clean clothes that we can recycle. After negotiations with a recycle company we are now able to recycle books as well as clothes and getting a better rate per kilo.

### **Appeal**

Please remember we are always looking for volunteers as well as donations so if you think you can help us in any way please check out our website [www.birthlink.org.uk](http://www.birthlink.org.uk) or give us a call on 0131 225 6441. We would be particularly interested to hear from anyone with experience in funding.

**Linda Powell (nee Hay)**  
**Executive Officer**  
**October 2009**

**Birthlink Staff**

Executive Officer – Linda Powell (nee Hay)

Social Work Manager – Kate McDougall

**Social Workers**

Jennifer Bryson

Sally Lynch

Hazel Dorey

**Administrators**

Winnie McGillivray

Kirsti-Louise Anderson

**Searchers**

Ann (now retired) and Angus Mitchell

Ann Coulson

Jennifer McNiven

Rosemary Hamilton

Vivienne Triseliotis

Jan Dollar

**Shop Staff**

Dorothy MacAlister

Maureen Brennan

Liz Lamb

Kevin Harman

**Shop Volunteers**

Margaret Rutherford

Rose Martin

Rachel MacAlister

Dawn Lynch

Isabel Sawers

Bill Halliday

Joy Bell

Mary Sanderson (Sandy)

1000

1000

Registered Number SC078854  
Charity Number SC013007

**BIRTHLINK**  
**(a company limited by guarantee)**  
**FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2009**



**BIRTHLINK**  
**(A company limited by guarantee)**

**FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2009**

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**BIRTHLINK**

(a company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS**

**For the Year Ended 31 March 2009**

**Patron**

Lorraine Kelly

**Executive Committee**

Sheriff Richard J D Scott (Chairperson) (Appointed 16.04.08)

Sheriff Alexander B Wilkinson QC (Chairperson) (Resigned 16.04.08)

Mrs Ann Coulson

Mrs Rosemary Hamilton

Miss Doris Laing

Mrs Jennifer McNiven

Ms Lindsey Neilson (Resigned 28.05.08)

Mrs Kathleen Smith (Resigned 27.05.09)

Mr Peter Somerville

Ms Jennifer Nobbs (Appointed 12.11.08)

Mrs Amanda Ferguson (Appointed 21.01.09)

**Secretary**

Miss Doris Laing

**Executive Officer**

Mrs Linda Powell

**Auditors**

Chiene + Tait

Chartered Accountants

61 Dublin Street

Edinburgh

EH3 6NL

**Bankers**

Bank of Scotland

St Andrew Square Branch

38 St Andrew Square

Edinburgh

EH2 2YR

**Solicitors**

Murray Beith Murray WS

3 Glenfinlas Street

Edinburgh

EH3 6AQ

**Registered Office**

21 Castle Street

Edinburgh

EH2 3DN

## **BIRTHLINK**

(a company limited by guarantee)

### **EXECUTIVE COMMITTEE'S REPORT**

#### **For the Year Ended 31 March 2009**

The Executive Committee has pleasure in presenting its annual report and financial statements for the year to 31 March 2009.

#### **Structure, governance and management**

The company is governed by the Executive Committee. The Committee Members who are the directors of the company and who served during the year were:-

Sheriff Richard J D Scott (Chairperson) (Appointed 16.04.08)  
Sheriff Alexander B Wilkinson QC (Chairperson) (Resigned 16.04.08)  
Mrs Ann Coulson  
Mrs Rosemary Hamilton  
Miss Doris Laing  
Mrs Jennifer McNiven  
Ms Lindsey Neilson (Resigned 28.05.08)  
Mrs Kathleen Smith (Resigned 27.05.09)  
Mr Peter Somerville  
Ms Jennifer Nobbs (Appointed 12.11.08)  
Mrs Amanda Ferguson (Finance Convenor) (Appointed 21.01.09)

The outgoing Chairperson Sheriff AB Wilkinson retired on 16 April 2008. The new Chairperson Sheriff Richard J D Scott is elected for five years from 16 April 2008. The Finance Convenor is elected annually. Members receive induction and training as and when required.

#### **Objectives and activities**

Birthlink (formerly Family Care) has been in existence since 1911. The company was incorporated on 26 May 1982 as a company limited by guarantee. Birthlink is a voluntary social work agency whose mission statement aim is to provide excellence and innovation in after adoption support. The company changed its name to Birthlink on 13 August 2007. The key charitable objectives are:-

- o To act as a centre of excellence in the provision of after adoption services.
- o To provide facilities for the training of social workers.
- o To promote community understanding and involvement in all areas of Birthlink's work.

The company has developed and introduced a management structure to ensure that these objectives are met. The Executive Committee has responsibility for finance, administration and voluntary fundraising. Birthlink no longer provides a social work service for families and children in need.

#### **Achievements, performance and future plans**

The excellence of the service provided by Birthlink and Care Connect continues to be widely recognised, not least by the service users, as has again been attested by the report following the annual inspection carried out by the Scottish Commission for the Regulation of Care. Demand for the Care Connect service has increased steadily and future developments await a full assessment of trends in demand and the availability of funding from Edinburgh Council.

We continue to benefit from the measures introduced at the organisational review and further procedures implemented assist in the efficient running of the organisation. Quality regular donations to the Thrift Shops keep us well stocked and allow us to make an essential contribution to our financial support.

The executive officer continues to oversee a wide range of activities, particularly in financial and business management, public relations, personnel, IT including our website, property negotiations and the organisation and management of our thrift shops.

**BIRTHLINK**  
(a company limited by guarantee)

**EXECUTIVE COMMITTEE'S REPORT**

**For the Year Ended 31 March 2009**

**Achievements, performance and future plans (continued)**

The closure of the warehouse premises in Sandport Place was a difficult decision to make but as a result of a change in the charity furniture sector it was the correct thing to do. The charity sector was badly hit during the recession and it was pertinent to reduce expenditure. Though we were unable to sell on the lease we have been successful in sub letting the property to offset our costs.

There have been a number of changes in the composition of the Executive Committee since 31 March 2008. Sheriff Alexander B Wilkinson resigned and Sheriff Richard J D Scott was elected on 16 April 2008. Ms Lindsey Neilson has resigned as has Mrs. Kathleen Smith. We have two new members to our Committee in Ms Jennifer Nobbs and Mrs. Amanda Ferguson who has also agreed to be our Finance Convenor.

Lorraine Kelly is still in position as Patron of Birthlink and we thank her for her support.

**Financial review**

The overall deficit for the year is £29,594 (2008: deficit £25,808) as stated in the Statement of Financial Activities. The general unrestricted deficit for the year, prior to transfer of the Family Care trust Fund from designated reserves, was £23,564 (2008: deficit £34,852).

**Principal risks and uncertainties**

The principal risks and uncertainties affecting the charity relate to sustainability of ongoing funding, and further information is contained under the Reserves Policy.

**Guarantee**

Each member of the company has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of Birthlink being placed in liquidation. At 31 March 2009 there were 32 members.

**Reserves policy**

It is the policy of the directors to maintain unrestricted general funds, which are the free reserves of the charity, at a level, which equates to approximately three months unrestricted expenditure. The unrestricted general funds currently stand at a deficit of £23,240. The nature and purpose of the various funds of the charity are set out in note 1 to the financial statements.

**Risk management**

The Executive have assessed the major risks to which Birthlink might be exposed in particular to the operation and finances of the charity. The current systems and structure have been reviewed to ensure that systems are in place to mitigate our exposure to any unexpected major risk.

**Investment policy**

The money deposited for investment has been largely used to reduce the overdraft because of the high costs incurred with bank charges. The remaining money is deposited with Standard Life Bank to get a better rate of interest and to allow ease of access if required.

**BIRTHLINK**

(a company limited by guarantee)

**EXECUTIVE COMMITTEE'S REPORT**

For the Year Ended 31 March 2009

**Statement of Executive Committee's responsibilities**

The Executive Committee (who are also directors of Birthlink for the purposes of company law) are responsible for preparing the Executive Committee's 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 Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income and expenditure of the charity in the year. In preparing the financial statements the Executive Committee is required to:

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

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

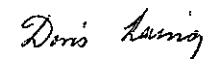
The Executive Committee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee confirms that:-

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

**Auditors**

A resolution to appoint Chiene + Tait, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

**ON BEHALF OF THE COMMITTEE**

**DORIS LAING**

*Director*

7 October 2009

**INDEPENDENT AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE  
AND MEMBERS OF BIRTHLINK (a company limited by guarantee)**

We have audited the financial statements of Birthlink for the year ended 31 March 2009 set out on pages 7 to 17. The financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the members as a body, in accordance with Section 235 of the Companies Act 1985 and to the charitable company's Executive Committee, 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 charitable company's Executive Committee 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Executive Committee and auditors**

The Executive Committee (who are also the Directors of the company for the purposes of Company law) responsibilities for preparing the Executive Committee's and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Executive Committee's Responsibilities.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 1985 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and whether the information given in the Executive Committee's 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 Directors' remuneration and transactions with the charity is not disclosed.

We read the Executive Committee's 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 judgements made by the Executive Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

**INDEPENDENT AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE  
AND MEMBERS OF BIRTHLINK (a company limited by guarantee) (Continued)**

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**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 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Executive Committee's Report is consistent with the financial statements.

**Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 18 to the financial statements concerning the charity's ability to continue as a going concern. As disclosed in this note the charity's sources of funding are subject to fluctuation and this fact together with the uncertainty over the future availability of bank facilities indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

*Chiene + Tait*

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

9 October 2009

**BIRTHLINK****(a company limited by guarantee)****STATEMENT of FINANCIAL ACTIVITIES****For the Year Ended 31 March 2009**

|  | Notes     | Designated<br>Funds<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2009<br>£ | Total<br>2008<br>£ |
|--|-----------|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Incoming resources</b>  |           |                          |                            |                          |                    |                    |
| Incoming resources from generated funds                                    |           |                          |                            |                          |                    |                    |
| Voluntary income   |           | -                        | 7,110                      | 4,901                    | 12,011             | 23,547             |
| Activities for generating funds  |           | -                        | 83,003                     | -                        | 83,003             | 98,565             |
| Investment income  |           | -                        | 1,289                      | -                        | 1,289              | 2,897              |
| Incoming resources from charitable activities                              |           | -                        | -                          | 138,321                  | 138,321            | 139,094            |
| <b>Total incoming resources</b>  | <b>2</b>  | <b>-</b>                 | <b>91,402</b>              | <b>143,222</b>           | <b>234,624</b>     | <b>264,013</b>     |
| <b>Resources expended</b>  |           |                          |                            |                          |                    |                    |
| Costs of generating funds  |           |                          |                            |                          |                    |                    |
| Fundraising trading: costs of goods sold<br>and other costs                | 3         | -                        | 81,331                     | -                        | 81,331             | 101,860            |
| Costs of generating voluntary income                                       | 3         | -                        | -                          | -                        | -                  | 1,351              |
| Charitable activities  | 4         | -                        | -                          | 170,120                  | 170,120            | 174,717            |
| Governance costs   | 5         | -                        | 12,767                     | -                        | 12,767             | 11,893             |
| <b>Total resources expended</b>  |           | <b>-</b>                 | <b>94,098</b>              | <b>170,120</b>           | <b>264,218</b>     | <b>289,821</b>     |
| <b>Net outgoing resources<br/>before transfers</b>                         |           | <b>-</b>                 | <b>(2,696)</b>             | <b>(26,898)</b>          | <b>(29,594)</b>    | <b>(25,808)</b>    |
| Transfers  |           | (47,539)                 | 26,671                     | 20,868                   | -                  | -                  |
| <b>Net outgoing resources before<br/>other recognised gains and losses</b> |           | <b>(47,539)</b>          | <b>23,975</b>              | <b>(6,030)</b>           | <b>(29,594)</b>    | <b>(25,808)</b>    |
| Unrealised loss on investment properties                                   |           | -                        | -                          | -                        | -                  | -                  |
| <b>Net movement in funds</b>   | <b>9</b>  | <b>(47,539)</b>          | <b>23,975</b>              | <b>(6,030)</b>           | <b>(29,594)</b>    | <b>(25,808)</b>    |
| Total funds brought forward  |           | 649,430                  | 1,083                      | 17,198                   | 667,711            | 693,519            |
| <b>Total funds carried forward</b>   | <b>14</b> | <b>601,891</b>           | <b>25,058</b>              | <b>11,168</b>            | <b>638,117</b>     | <b>667,711</b>     |

The notes on pages 9 to 17 form part of these financial statements

**BIRTHLINK**  
(a company limited by guarantee)

**BALANCE SHEET**

**As at 31 March 2009**

|   | Notes | £               | 2009<br>£      | £               | 2008<br>£      |
|---|-------|-----------------|----------------|-----------------|----------------|
| <b>Fixed assets</b>                                   |       |                 |                |                 |                |
| Tangible assets                                       | 10    |                 | 485,840        |                 | 489,637        |
| Investment properties                                 | 11    |                 | 160,000        |                 | 160,000        |
|   |       |                 | <u>645,840</u> |                 | <u>649,637</u> |
| <b>Current assets</b>                                 |       |                 |                |                 |                |
| Debtors   | 12    | 7,014           |                | 14,542          |                |
| Cash at bank and in hand                              |       | 10,334          |                | 52,650          |                |
|   |       | <u>17,348</u>   |                | <u>67,192</u>   |                |
| <b>Creditors: amounts falling due within one year</b> | 13    | <u>(25,071)</u> |                | <u>(49,118)</u> |                |
| Net current (liabilities)/assets                      |       |                 | (7,723)        |                 | 18,074         |
| <b>Total assets less current liabilities</b>          |       |                 | <u>638,117</u> |                 | <u>667,711</u> |
| <b>Reserves</b>                                       |       |                 |                |                 |                |
| Restricted funds                                      | 14    |                 | 11,168         |                 | 17,198         |
| Unrestricted funds                                    | 14    |                 | 25,058         |                 | 1,083          |
| Designated funds                                      | 14    |                 | 601,891        |                 | 649,430        |
|   | 15    |                 | <u>638,117</u> |                 | <u>667,711</u> |

The financial statements have been approved by the Executive Committee on 7 October 2009.

*R J D Scott*

R Scott, Chair

The notes on pages 9 to 17 form part of these financial statements



## **BIRTHLINK**

(a company limited by guarantee)

### **NOTES to the FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2009**

#### **1. Accounting Policies**

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of heritable property and investments and in accordance with Charities Accounts (Scotland) Regulations 2006 and Statement of Recommended Practice – Accounting & Reporting by Charities 2005.

##### **Depreciation**

Property improvements are depreciated on a straight line basis over 10 years.

Furniture and fittings are valued in the financial statements at £1,000. All additions and replacements are written off to the Statement of Financial Activities in the period of purchase.

Assets costing less than £500 are not capitalised in the balance sheet.

Office equipment is depreciated on a straight line basis over four years.

Computer equipment is depreciated on a straight line basis over five years.

Financial Reporting Standard 15 requires all tangible fixed assets to be depreciated over their useful economic life, taking account of any residual value of the assets. In accordance with FRS 15, the company adopted a policy of revaluing their heritable property with a valuation being carried out during the year to 31 March 2006. The company believes that due to the high residual value of the property a depreciation charge would be immaterial and no charge has therefore been made. Where no charge for depreciation is made, an impairment review should be carried out. Such a review has been performed and this shows that the value of the Buildings under Financial Reporting Standard 11 exceeds the carrying value in the financial statements.

##### **Legacies**

Legacies are recorded in the financial statements when they are receivable, which is when the company becomes entitled to the resource and the amount can be calculated with reasonable certainty.

##### **Expenditure**

All expenditure is included on an accruals basis inclusive of VAT and is recognised where there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resource expended in the Statement of Financial Activities. Costs of generating voluntary income relate to costs incurred in the running of the thrift shops. Governance costs include those costs associated with meeting the constitutional requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

##### **Support costs**

Support costs are allocated between unrestricted and restricted funds dependent on their nature. They are further split between restricted funds dependent on the income for each fund (excluding depreciation charge).

##### **VAT**

The company is partially exempt from VAT. That proportion of VAT which is irrecoverable is charged to the appropriate expense.

##### **Grants**

Revenue grants are recognised in the year of receipt and allocated to restricted or unrestricted funds as appropriate. Capital grants are recognised in the year of receipt and treated as restricted funds with depreciation on such assets charged directly to the restricted fund in the Statement of Financial Activities.

## **BIRTHLINK**

(a company limited by guarantee)

### **NOTES to the FINANCIAL STATEMENTS (cont'd)**

#### **For the Year Ended 31 March 2009**

#### **1. Accounting Policies (cont'd)**

##### **Pension Costs**

The company makes contributions to the Pensions Trust for employees of a defined contribution nature. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged in the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

##### **Investment property**

In accordance with SSAP 19:-

- i. Investment properties are revalued annually by the Executive Committee and the aggregate surplus or deficit is transferred to the revaluation reserve; and
- ii. No depreciation or amortisation is provided in respect of investment properties.

The Executive Committee consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise be shown cannot be separately identified or quantified.

##### **Operating lease agreement**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against surpluses incurred.

##### **Restricted funds**

###### Birthlink

Birthlink operates to provide a range of post adoption services to people who have been affected by an adoption that has a Scottish connection.

###### Care Connect

Provides a service to local authority and fostering agencies that may be approached for search and contact assistance by adults who have been fostered.

###### Lloyds TSB – Equipment

For the acquisition and maintenance of computer equipment and servers.

###### Scottish Executive Equipment

For the purchase of computing equipment at Birthlink premises.

##### **Unrestricted Funds**

###### Heritable Property Fund

This designated fund represents the increase in value over cost of the heritable property of the company as a result of the revaluation of the heritable property by Messrs D M Hall in 2001 and Graham and Sibbald on 21 February 2006.

###### Family Care Trust Fund

This designated fund represents funds transferred from Family Care Trust to be used in furtherance of the activities of Birthlink. During the year the Executive Committee agreed to transfer this fund to the General Fund.

###### General

The General Fund represents the unrestricted funds which the Executive Committee are free to use in accordance with the charitable objects.

**BIRTHLINK****(a company limited by guarantee)****NOTES to the FINANCIAL STATEMENTS (cont'd)****For the Year Ended 31 March 2009****2. Income Analysis**

|  | <b>2009</b>    | <b>2008</b>    |
|--|----------------|----------------|
|  | £              | £              |
| <b>Voluntary income</b>                              |                |                |
| Fees and donations                                   | 12,011         | 23,457         |
| <b>Activities for generating funds</b>               |                |                |
| Thrift shops   | 70,143         | 87,336         |
| Commercial activity                                  | 12,823         | 11,053         |
| Publication sales                                    | 37             | 176            |
|  | <u>83,003</u>  | <u>98,565</u>  |
| <b>Investment income</b>                             |                |                |
| Bank interest receivable                             | 1,289          | 2,897          |
| <b>Incoming resources from charitable activities</b> |                |                |
| Scottish Government grant                            | 45,292         | 45,292         |
| Birthlink local authority contributions              | 45,573         | 47,731         |
| City of Edinburgh Council Care Connect grant         | 28,415         | 27,743         |
| Birthlink fees                                       | 17,751         | 17,086         |
| Training income                                      | 1,290          | 1,242          |
|  | <u>138,321</u> | <u>139,094</u> |
| <b>Total incoming resources</b>                      | <u>234,624</u> | <u>264,013</u> |

**3. Costs of generating funds**

|   | <b>Unrestricted</b> | <b>2009</b>   | <b>2008</b>    |
|---|---------------------|---------------|----------------|
|   | <b>Thrift</b>       | <b>Total</b>  | <b>Total</b>   |
|   | Shop                | £             | £              |
|   | £                   |               |                |
| <b>Costs of goods sold and other costs</b>  |                     |               |                |
| Wages and salaries                          | 41,005              | 41,005        | 57,620         |
| Employer's National Insurance               | 2,054               | 2,054         | 3,132          |
| Sessional costs                             | 4,452               | 4,452         | 5,656          |
| Travel                                      | -                   | -             | 72             |
| Fuel  | -                   | -             | 387            |
| Motor vehicle insurance                     | -                   | -             | 650            |
| Motor vehicle sundry costs                  | -                   | -             | 642            |
| Loss on disposal of motor vehicle           | -                   | -             | 1,468          |
| Marketing                                   | -                   | -             | 399            |
| Support costs (Note 6)                      | 33,820              | 33,820        | 31,834         |
|   | <u>81,331</u>       | <u>81,331</u> | <u>101,860</u> |
| <b>Costs of generating voluntary income</b> |                     |               |                |
| Support costs (Note 6)                      | -                   | -             | 1,351          |
|   | <u>-</u>            | <u>-</u>      | <u>1,351</u>   |

**BIRTHLINK**

(a company limited by guarantee)

**NOTES to the FINANCIAL STATEMENTS (cont'd)****For the Year Ended 31 March 2009**

| 4. Charitable Activities   | <u>Restricted Funds</u> |                      |                           |                       |                    | 2009<br>Total<br>£ | 2008<br>Total<br>£ |
|----------------------------|-------------------------|----------------------|---------------------------|-----------------------|--------------------|--------------------|--------------------|
|                            | Birth<br>Link<br>£      | Care<br>Connect<br>£ | Scottish<br>Exec Eq.<br>£ | TSB.<br>Consult.<br>£ | TSB<br>Equip.<br>£ |                    |                    |
| Wages and salaries         | 91,117                  | 18,662               | -                         | -                     | -                  | 109,779            | 111,726            |
| Employers' NI              | 8,274                   | 1,695                | -                         | -                     | -                  | 9,969              | 9,899              |
| Employers' pension costs   | 1,662                   | 340                  | -                         | -                     | -                  | 2,002              | 2,709              |
| Sessional costs            | -                       | -                    | -                         | -                     | -                  | -                  | (1,312)            |
| Training                   | 426                     | -                    | -                         | -                     | -                  | 426                | 331                |
| Travel                     | 139                     | -                    | -                         | -                     | -                  | 139                | 230                |
| Marketing                  | 1,069                   | -                    | -                         | -                     | -                  | 1,069              | 3,314              |
| Conferences                | 168                     | -                    | -                         | -                     | -                  | 168                | -                  |
| NRH Fees                   | 949                     | -                    | -                         | -                     | -                  | 949                | 1,331              |
| Volunteer expenses         | 162                     | -                    | -                         | -                     | -                  | 162                | -                  |
| Search fees                | 348                     | -                    | -                         | -                     | -                  | 348                | -                  |
| Recruitment exp            | 40                      | -                    | -                         | -                     | -                  | 40                 | -                  |
| Support costs (Note 6)     | 35,347                  | 3,692                | 1,821                     | 1,519                 | 2,690              | 45,069             | 46,489             |
|                            | <u>139,701</u>          | <u>24,389</u>        | <u>1,821</u>              | <u>1,519</u>          | <u>2,690</u>       | <u>170,120</u>     | <u>174,717</u>     |
| <b>5. Governance Costs</b> |                         |                      |                           |                       |                    | <b>2009</b><br>£   | <b>2008</b><br>£   |
| Audit fee                  |                         |                      |                           |                       |                    | 3,938              | 3,851              |
| Accountancy                |                         |                      |                           |                       |                    | 744                | 270                |
| Legal fees                 |                         |                      |                           |                       |                    | -                  | 639                |
| Bank and payroll charges   |                         |                      |                           |                       |                    | 2,315              | 632                |
| Support costs (note 6)     |                         |                      |                           |                       |                    | 5,770              | 6,501              |
|                            |                         |                      |                           |                       |                    | <u>12,767</u>      | <u>11,893</u>      |

**BIRTHLINK**  
(a company limited by guarantee)

**NOTES to the FINANCIAL STATEMENTS (cont'd)**

**For the Year Ended 31 March 2009**

**6. Support Costs**

|                                    | <u>Charitable Activities</u> |                |              |                | <u>Cost of</u>          | <u>Governance</u> | <u>2009</u>   | <u>2008</u>   |
|------------------------------------|------------------------------|----------------|--------------|----------------|-------------------------|-------------------|---------------|---------------|
|                                    |                              |                |              |                | <u>Generating Funds</u> | <u>Costs</u>      |               |               |
|                                    | <u>Restricted</u>            |                |              |                | <u>Unrestricted</u>     |                   |               |               |
|                                    | <u>Scottish</u>              | <u>TSB</u>     |              |                |                         |                   |               |               |
|                                    | <u>Birth</u>                 | <u>Care</u>    | <u>Gvt.</u>  | <u>Consul/</u> | <u>Thrft</u>            |                   | <u>2009</u>   | <u>2008</u>   |
|                                    | <u>Link</u>                  | <u>Connect</u> | <u>Equip</u> | <u>Equip.</u>  | <u>Shop</u>             |                   | <u>Total</u>  | <u>Total</u>  |
|                                    | <u>£</u>                     | <u>£</u>       | <u>£</u>     | <u>£</u>       | <u>£</u>                | <u>£</u>          | <u>£</u>      | <u>£</u>      |
| Wages & salaries                   | 8,945                        | -              | -            | 1,519          | 2,570                   | 5,324             | 18,358        | 20,130        |
| Employers' NI                      | 867                          | -              | -            | -              | 213                     | 440               | 1,520         | 1,941         |
| Travel                             | -                            | -              | -            | -              | -                       | 6                 | 6             | 61            |
| Rent                               | -                            | -              | -            | -              | 11,000                  | -                 | 11,000        | 10,500        |
| Rates                              | 1,224                        | 250            | -            | -              | 4,707                   | -                 | 6,181         | 5,944         |
| Insurance                          | 2,650                        | 542            | -            | -              | 1,129                   | -                 | 4,321         | 3,750         |
| Heat & light                       | 1,403                        | 288            | -            | -              | 2,615                   | -                 | 4,306         | 4,008         |
| Buildings maintenance              | 406                          | 83             | -            | -              | 635                     | -                 | 1,124         | 2,237         |
| Cleaning                           | 1,719                        | 352            | -            | -              | 83                      | -                 | 2,154         | 2,688         |
| Start up costs                     | -                            | -              | -            | -              | -                       | -                 | -             | 1,676         |
| Stationery & postage               | 2,127                        | 435            | -            | -              | 242                     | -                 | 2,804         | 4,164         |
| Printing                           | 416                          | 85             | -            | -              | -                       | -                 | 501           | 1,619         |
| Telephone                          | 1,599                        | 328            | -            | -              | 1,068                   | -                 | 2,995         | 3,017         |
| Leases                             | 1,306                        | 267            | -            | -              | -                       | -                 | 1,573         | 1,392         |
| Equipment maintenance<br>& repairs | 1,199                        | 377            | -            | 1,679          | 59                      | -                 | 3,314         | 4,112         |
| Miscellaneous                      | 337                          | 61             | -            | -              | 68                      | -                 | 466           | 465           |
| Accountancy                        | 3,041                        | 624            | -            | -              | 820                     | -                 | 4,485         | 3,837         |
| Consultancy                        | 1,107                        | -              | -            | -              | 1,115                   | -                 | 2,222         | 2,151         |
| Legal fees                         | 209                          | -              | -            | -              | 6,700                   | -                 | 6,909         | 2,000         |
| Subscriptions & literature         | 4,907                        | -              | -            | -              | -                       | -                 | 4,907         | 4,753         |
| Conferences                        | -                            | -              | -            | -              | -                       | -                 | -             | 1,358         |
| Merchant charge                    | 920                          | -              | -            | -              | 796                     | -                 | 1,716         | 1,245         |
| Depreciation                       | 878                          | -              | -            | -              | -                       | -                 | 878           | 878           |
| Depreciation –<br>SE Equipment     | -                            | -              | 1,821        | -              | -                       | -                 | 1,821         | 1,821         |
| Birthlink depreciation             | 87                           | -              | -            | -              | -                       | -                 | 87            | 175           |
| Lloyds funding equipment           | -                            | -              | -            | 1,011          | -                       | -                 | 1,011         | 253           |
|                                    | <u>35,347</u>                | <u>3,692</u>   | <u>1,821</u> | <u>4,209</u>   | <u>33,820</u>           | <u>5,770</u>      | <u>84,659</u> | <u>86,175</u> |

**BIRTHLINK**  
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**NOTES to the FINANCIAL STATEMENTS (cont'd)**

**For the Year Ended 31 March 2009**

**7. Taxation**

The company has been awarded charitable status under Section 505 of the Income and Corporation Taxes Act 1988, as amended and Section 256 of the Taxation of Chargeable Gains Act 1992, as amended, and as such is exempt from tax.

**8. Staff Numbers and Costs**

The average monthly number of employees (full-time equivalents, including directors) during the year was made up as follows:-

|                | 2009<br>No. | 2008<br>No. |
|----------------|-------------|-------------|
| Administration | 3           | 3           |
| Social workers | 3           | 3           |
| Thrift shop    | 4           | 5           |
|                | <u>10</u>   | <u>11</u>   |

The total salary costs were as follows:-

|                       | 2009<br>£      | 2008<br>£      |
|-----------------------|----------------|----------------|
| Salaries and wages    | 175,664        | 196,382        |
| Social security costs | 13,543         | 14,970         |
| Pension costs         | 2,002          | 2,709          |
|                       | <u>191,207</u> | <u>214,061</u> |

No employee received emoluments over £60,000. No remuneration is paid to any director. Two Directors received reimbursement of expenses for their work as searchers amounting to £60 (2008: £nil).

The company is indebted to numerous volunteers who have assisted during the year and without whose support, the company would not be what it is. The Executive Committee estimate that the financial benefit of this support was in the region of £75,000 (2008: £73,000). The Executive Committee wishes to express its thanks to the volunteers in all our services.

**9. Operating deficit is stated after charging**

|                                  | 2009<br>£     | 2008<br>£     |
|----------------------------------|---------------|---------------|
| Operating leases                 | 11,892        | 11,892        |
| Auditors – audit fee             | 3,938         | 3,851         |
| Depreciation                     | 3,797         | 3,127         |
| Loss on disposal of fixed assets | -             | 1,468         |
|                                  | <u>19,627</u> | <u>20,338</u> |

**BIRTHLINK**  
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**NOTES to the FINANCIAL STATEMENTS (cont'd)**

**For the Year Ended 31 March 2009**

**10. Tangible Fixed Assets**

|                                   | Property<br>Improvements<br>£ | Heritable<br>Property<br>£ | Furniture<br>& Fittings<br>£ | Office<br>Equipment<br>£ | Computer<br>Equipment<br>£ | Total<br>£ |
|-----------------------------------|-------------------------------|----------------------------|------------------------------|--------------------------|----------------------------|------------|
| <b>Cost or valuation</b>          |                               |                            |                              |                          |                            |            |
| At 1 April 2008 and 31 March 2009 | 6,063                         | 475,000                    | 1,000                        | 4,937                    | 29,083                     | 516,083    |
| <b>Depreciation</b>               |                               |                            |                              |                          |                            |            |
| At 1 April 2008                   | 3,636                         | -                          | -                            | 4,937                    | 17,873                     | 26,446     |
| Charge for year                   | 606                           | -                          | -                            | -                        | 3,191                      | 3,797      |
| At 31 March 2009                  | 4,242                         | -                          | -                            | 4,937                    | 21,064                     | 30,243     |
| <b>Net Book Value</b>             |                               |                            |                              |                          |                            |            |
| At 31 March 2009                  | 1,821                         | 475,000                    | 1,000                        | -                        | 8,019                      | 485,840    |
| At 31 March 2008                  | 2,427                         | 475,000                    | 1,000                        | -                        | 11,210                     | 489,637    |

Heritable property was independently revalued on 21 February 2006 by Graham and Sibbald, Chartered Surveyors.

**11. Investment Properties**

|  | 2009<br>£ | 2008<br>£ |
|--|-----------|-----------|
| Valuation  |           |           |
| Second floor office premises, 21 Castle Street at valuation. | 160,000   | 160,000   |

The investment property was independently revalued on 21 February 2006 by Graham and Sibbald, Chartered Surveyors. The Executive Committee is satisfied that there has been no material movement in the value since this valuation. The previous revaluation was during 2001.

**12. Debtors**

|                        | 2009<br>£ | 2008<br>£ |
|------------------------|-----------|-----------|
| Sundry debtors         | 3,540     | 8,625     |
| Prepayments            | 1,453     | 3,547     |
| Income Tax recoverable | 1,306     | 1,041     |
| VAT recoverable        | 715       | 1,329     |
|                        | 7,014     | 14,542    |

**13. Creditors: amounts falling due within one year**

|                                 | 2009<br>£ | 2008<br>£ |
|---------------------------------|-----------|-----------|
| Bank overdraft                  | 12,124    | 31,874    |
| Accruals and sundry creditors   | 6,400     | 13,004    |
| Social security and other taxes | 4,347     | 4,240     |
| Deferred income – rent received | 2,200     | -         |
|                                 | 25,071    | 49,118    |

**BIRTHLINK**  
(a company limited by guarantee)

**NOTES to the FINANCIAL STATEMENTS (cont'd)**

**For the Year Ended 31 March 2009**

**14. Analysis of Funds**

|                               | Balance at<br>1 April<br>2008<br>£ | Incoming<br>Resources<br>£ | Outgoing<br>Resources<br>£ | Transfers<br>£ | Balance at<br>31 March<br>2009<br>£ |
|-------------------------------|------------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|
| <b>Restricted funds</b>       |                                    |                            |                            |                |                                     |
| BirthLink                     | 5,000                              | 119,806                    | 139,701                    | 19,895         | 5,000                               |
| Care Connect                  | -                                  | 23,416                     | 24,389                     | 973            | -                                   |
| Lloyds TSB Consultancy        | 1,519                              | -                          | 1,519                      | -              | -                                   |
| Lloyds TSB Equipment          | 7,216                              | -                          | 2,690                      | -              | 4,526                               |
| Scottish Executive Equipment  | 3,463                              | -                          | 1,821                      | -              | 1,642                               |
| <b>Total restricted funds</b> | <b>17,198</b>                      | <b>143,222</b>             | <b>170,120</b>             | <b>20,868</b>  | <b>11,168</b>                       |
| <b>Unrestricted funds</b>     |                                    |                            |                            |                |                                     |
| General funds                 | 1,083                              | 91,402                     | 94,098                     | 26,671         | 25,058                              |
| Designated funds:-            |                                    |                            |                            |                |                                     |
| Heritable property            | 601,891                            | -                          | -                          | -              | 601,891                             |
| Family Care Trust Fund        | 47,539                             | -                          | -                          | (47,539)       | -                                   |
| <b>Total Funds</b>            | <b>667,711</b>                     | <b>234,624</b>             | <b>264,218</b>             | <b>-</b>       | <b>638,117</b>                      |

Transfers from unrestricted funds to restricted funds represent funds transferred to cover excess costs incurred by projects during the year. In addition, the Executive Committee agreed to transfer the Family Care Trust Fund to General funds during the year.

**15. Analysis of net assets between funds**

|                    | Tangible<br>Fixed<br>Assets<br>£ | Invest-<br>ment<br>Properties<br>£ | Net Current<br>(Liabilities)/<br>Assets<br>£ | Total<br>£     |
|--------------------|----------------------------------|------------------------------------|--|----------------|
| Unrestricted funds | 38,514                           | -                                  | (13,456)                                     | 25,058         |
| Restricted funds   | 5,435                            | -                                  | 5,733  | 11,168         |
| Designated funds   | 441,891                          | 160,000                            | -  | 601,891        |
| <b>Total Funds</b> | <b>485,840</b>                   | <b>160,000</b>                     | <b>(7,723)</b>                               | <b>638,117</b> |

**16. Lease Commitments**

The company has the following annual commitments under non cancellable operating leases.

|                                     | 2009<br>£ | 2008<br>£ |
|-------------------------------------|-----------|-----------|
| <b>Equipment:</b>                   |           |           |
| Expiring less than one year         | -         | -         |
| Expiring between one and two years  | -         | -         |
| Expiring between two and five years | 1,089     | 1,089     |
| <b>Land and Buildings:</b>          |           |           |
| Expiring less than one year         | -         | -         |
| Expiring between two and five years | 11,000    | 11,000    |
| Expiring after five years           | -         | -         |



**BIRTHLINK**

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**NOTES to the FINANCIAL STATEMENTS (cont'd)**

**For the Year Ended 31 March 2009**

**17. Pensions**

The company makes contributions to a number of individual arrangements for employees of a defined contribution nature. Contributions are charged as incurred and there were £426 (2008: £402) of outstanding contributions as at the balance sheet date. Pension costs charged in the year were £2,002 (2008: £2,709).

**18. Going Concern**

The charity's activities are funded through various sources of income, including grants, donations and the operation of thrift shops and as a consequence the income is subject to fluctuation. As at the year end the charity had total reserves of £638,117 of which its free reserves amounted to £25,058.

The charity meets its day to day working capital requirements through an overdraft facility which is due for renewal in November 2009. The current economic conditions create uncertainty particularly over the level of the charity's income and also over the availability of bank finance in the foreseeable future.

The charity's forecasts and projections, taking account of reasonable expectations for the level of funding, show that the charity should be able to operate within the level of its current facility. The charity will open renewal negotiations with the bank in due course and has not at this stage sought any written commitment that the facility will be renewed. However, the charity has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.



