



Partners for Inclusion
(A company limited by guarantee)

Charity Number: 035125 (Scotland)
Registered Number: 262549 (Scotland)

Report of the Trustees and Financial Statements

For the Year Ended 31 March 2012

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Partners for Inclusion

**Contents of the Financial Statements
For the Year Ended 31 March 2012**

	Page
Legal and Administrative Information	1
Report of the Trustees	2-14
Report of the Auditors	15-16
Statement of Financial Activities (Incorporating Income and Expenditure Account)	17
Balance Sheet	18
Notes to the Financial Statements	19-25

Partners for Inclusion

**Legal and Administrative Information
For the Year Ended 31 March 2012**

Trustees	D Paton R Leishman L Webster A Fentie M Imrie M Macdonald J Maxton
Company Secretary	D Kelly
Directors	D Kelly Executive Director J Jeffrey Deputy Director J Barbour Finance Director I Williams Project Director
Registered Office	West Kirk 84 Portland Street Kilmarnock KA3 1AA
Registered number	262549
Charity number	SC035125
Auditors	Scott-Moncrieff Allan House 25 Bothwell Street Glasgow G2 6NL
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 7YB
Solicitors	Duncan McLean & Co Solicitors & Notaries Public 81 John Finnie Street Kilmarnock KA1 1BG

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

The Trustees present their report with the audited financial statements of the charity for the year ended 31 March 2012.

The legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (2005).

Constitution

Partners for Inclusion is a company limited by guarantee and a recognised charity governed by its Memorandum and Articles of Association.

Directors and Trustees

The directors of Partners for Inclusion ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The rules for appointment and removal of trustees are as set out in the Articles of Association. The minimum number of trustees as set out in the Articles of Association is 2 and the maximum is 15 (subject to any amendment permitted by ordinary resolution). The charitable company, being limited by guarantee, does not have an issued share capital in which the trustees can hold an interest.

The trustees throughout the year under review were D Paton, R Leishman, L Webster, A Fentie, M Imrie, M Macdonald and J Maxton.

All trustees are directors of the charity. Office staff and employees of the charity are not eligible to sit on the Board of Trustees.

Recruitment and Induction of Trustees

The members of the board are appointed with an aim to ensure a broad range of experience and skills within the sector that we work, as well as the professional and business sectors. We also have recruited family members to join the Board in order to bring experience of receiving services.

We recruit new trustees by advertising, word of mouth and other methods. The Executive Director would meet and fully inform any potential trustee of our aims and objectives and then one or more board members would meet and carry out an informal interview with the potential member. At this point the person would also be invited to attend a Board Meeting on an introductory basis, at the end of which all parties would make a decision on the appointment.

Any new trustee would spend a minimum of one day's induction within the organisation viewing its day to day activities. On an on-going basis trustees would examine and highlight gaps in their knowledge and experience and appropriate training would be made available as and when required.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Organisation

The following structures are in place within the organisation to ensure that the overall aims and objectives of the charity are met:

Board of Trustees

The Board meets quarterly and has one away day per year for the purposes of planning. The Board's purpose is about governance. This is to do with keeping the organisation free from undue risk, looking after the finances and the general direction of the organisation as well as ensuring the legal aspects are dealt with including the rules contained in the Memorandum and Articles of Association. The Trustees will approve the Annual Budget and Strategic Plan.

Strategy Group

This group meets monthly at present and consists of all Directors, the Training Co-ordinator, the Human Resources Manager and representation from Service Leaders, Team Leaders and Support Workers. This group's purpose is indeed about strategy; this is making sure that the big picture as well as operations are paid due attention. The group reports to the Board and is responsible for carrying out for example; the organisation's risk assessment, paying attention to policy and procedure, developing the Strategic Plan and making sure these are in keeping with the mission and values of the organisation.

Finance Management Committee

The membership of this group is comprised of the Finance Director and other Directors. It meets quarterly and is accountable to the Board. The purpose of the group is to ensure financial security and value for money in all operations. The committee also ensures that legal issues around money are dealt with appropriately, including accounting rules and adherence to the rules laid out by the Office of Scottish Charities Regulator (OSCR). The Finance Team meets monthly and reports to this group.

Communication Meeting

This is a weekly operational meeting and consists of the Service Leader Team, Deputy Director, Just Connections Director, Training Co-ordinator and HR Manager. The Executive Director, Finance and Administration Teams attend periodically. This meeting is ultimately accountable to the Strategy Group but is managed operationally by the Deputy and Project Director. The primary purpose of this meeting is to action the strategic plan, however it also functions to develop consistency and accountability around the work of the organisation.

Team Leader's Meetings

Currently 7 Team Leader groupings exist within the organisation and each has a different meeting cycle (between 1 and 3 weekly). The meetings are facilitated by designated Service Leaders and the purpose of these meetings are predominantly around learning, practice development and employee engagement. They also serve the purpose of communication between the central functioning of the organisation and the Teams via the Team Leaders particularly around policy, procedure and practice issues. These meetings are accountable to the Service Leader Team and are the responsibility of Service Leaders in conjunction with Team Leaders.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Related Parties

The trustees of the charity received no remuneration for fulfilling their role as trustee and received no amounts in respect of the re-imbursement of expenses.

The charity has contractual relationships with *South Ayrshire Council, Renfrewshire Council, East Ayrshire Council, North Ayrshire Council, East Renfrewshire Council, City of Edinburgh Council and Glasgow City Council.*

Objectives of the Charity

Partners for Inclusion is a non-profit making company limited by guarantee. It has been approved by HMRC as having charitable status. Partners for Inclusion's mission is to support people with disabilities to live how they choose, whilst influencing and enhancing the opportunities available to all. We believe that everyone is equal and different with their own gifts, everyone has the ability to develop, everyone has needs and the right to support in keeping with their basic human rights and everyone's relationships are valuable.

The principal activity of the company in the year under review was that of providing supported living services to persons resident in Scotland who have learning or physical disabilities, or mental health difficulties. Partners for Inclusion also work to promote the rights of people with disabilities and educate public views in relation to rights and service provision.

Introduction

Partners for Inclusion has continued to support the development of Just Connections and also a new organisation Beyond Limits (Plymouth) Limited, organisations which provide services in the same vein as ourselves. This has brought excitement and challenges! The consequent increase in services provided means the Central Team has experienced an increase in workload. As robust financial management is essential to safeguarding the assets of the organisation and many of the people we support we recruited additional finance personnel to assist with both immediate pressures and long term planning.

Whilst we have reached the limit of services we will provide, 45, we took the decision to respond to requests from a Council (see section Public Social Partnership) to provide services for a further 2 people who were felt to need the quality of service it was felt that only we can provide. We accepted the invitation as a compliment for the way we work and the trust we are afforded by external agencies. We have also been delighted, after 3 years of painstaking development work, to convince our multi agency colleagues in health and social work that a gentleman with a learning disability who has lived, misplaced, in a psychiatric hospital for 50 years has the ability, potential and desire to live outside an institution.

The people we currently support continue to develop their lives based on their abilities and gifts and not merely their disabilities. People who were thought to be reliant on 24hr care now live with a mixture of staff and technological support. People on the autistic spectrum thought to be unable to make social relationships seeking eye contact and initiating touch. People who are vulnerable to exploitation now make choices about their dignity and safety being something worthy of protection. People being able to write an invite list to their birthday party which doesn't solely consist of family or paid staff. In the bigger scheme of things these developments seem small but for the people concerned, their families and their support teams they are amazing.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Introduction (continued)

We have been fortunate enough this year to have been invited to be involved in 2 important pieces of joint work with Councils:

- Public Social Partnership - a project in conjunction with East Renfrewshire Community Healthcare Partnership (CHCP) the main aim of which is Third Sector and Statutory Organisations to work together to influence and develop procurement and commissioning processes to achieve all round better services. During this we also developed our relationship with Pricewaterhouse Coopers (PwC) who contributed consultancy support to the project.
- Personalisation – due to our involvement in work relating to the self-directed support agenda (now supported by legislation) we were invited by East Ayrshire Council to support them develop a Resource Allocation System.

From the relationships built during these projects we were commissioned to provide services for 2 people who had been unable to find appropriate support with other providers.

Our Strategic Plan

We continue to work on our current Plan (2011-14). All projects/developments underpin our strategic objectives:

- we will promote good citizenship for all people;
- we will ensure we have a financially sustainable future and have a capable workforce that is able to manage the resources available with maximum effect;
- we will have organisational processes which enable us to make creative and safe decisions; and
- we will establish a culture of continuous development which promotes both learning and how best to use our new knowledge.

Our Strategic Plan Achievements

In 2011/12 68% of projects/developments were achieved on or ahead of time with a further 10% requiring a completion date amendment of 2 months. Of the outstanding 22% of objectives, 10% had commenced later than planned and 12% have been assessed as having unrealistic target dates and have been reassigned target dates for 2012/13.

As the world outside us changes we have recognised the need to stay 'fit for purpose'. It would be easy for us to rest on our laurels as we are highly regarded by external agencies and regulatory bodies (our last Care Inspectorate assessment (Dec 2010) awarded us the highest possible grade). Politically and financially questions are being asked of all care providers. In order to remain ahead of the game we have reviewed:

- 'customer satisfaction' – we designed an accessible 'satisfaction survey' for the people we support to give us feedback on how they were supported. 61% of these were completed and returned.
- business functioning – we embarked on Investors in People assessment and were awarded a Gold Standard, the highest possible award.
- service provision – an independent evaluation team compared our functioning against our stated aims and wider developments in the care sector.
- infrastructure – an independent consultant reviewed roles and responsibilities within the organisation.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Our Strategic Plan Achievements (continued)

- empowerment, culture and internal reporting processes – three senior managers, as part of separate university studies (MBA, MSc, and Diploma) , used their final dissertations to explore the aforementioned aspects of the organisation.

The recommendations and suggestions from the above have been checked against our current Strategic Plan (2011-14) for alignment and either incorporated, if not already present, or considered at an operational level. The following reports highlight some of our specific objectives and our achievements over the year.

Promoting Citizenship Objectives

Employment

The plan for the Employment Development Co-ordinator is to facilitate the development of, and sustain employment opportunities for, people supported by the organisation:

- developing a vocational profile of skills, supports, training and employment goals of each person supported;
- developing good working relationships with local employers, job centres and Supported Employment agencies and building a database of positive contacts; and
- to secure funding to implement, publicise and sustain the role of the Employment Development Co-ordinator.

We believe that there is a job for everyone it's just a matter of working out what that is, and the more we share stories in and out-with the organisation the more it will help people visualise and buy in to this idea.

Friends and Independent Lives

On the basis of the success and the learning done around the employment development agenda there will be a short-term (3-year) post created, which will concentrate on helping teams get people who are supported friends and more natural connections. This new role will be based on the way the existing Employment Development Co-ordinator role has developed. It will be the job of this person to be a resource to teams around community building and friendships.

Circles of Support

A circle of support is an intentional way of addressing isolation, loneliness and vulnerability by gathering together a group of people that are present in someone's life because they want to be. We are currently assisting one person we support in South Ayrshire to build a circle of support into their life to help them meet and make new friends. Although she has not had a circle meeting yet the team have been working hard over the last year supporting her to get out and about meeting the same people on a regular basis to build the relationship to a point that they can be invited along to a circle meeting.

Community Circles

Community circles bring people from a local community together to share their skills, talents, gifts and resources. It is based upon the premise that all of us need three things in our lives to make us happy and fulfilled: money, friendship and meaning.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Promoting Citizenship Achievements

Employment

Over the last year the employment development coordinator continued to support teams to develop a vocational profile of skills for the person they support and helped them visualise and match them to possible jobs within the community.

A gentleman in South Ayrshire has found voluntary work through the Council of Voluntary Organisations (CVO) as an Office Assistant where he supports the administration team; photocopies and makes up training packs, prints flyers and shreds paper. He has also secured a second job in a recycle book store in Cumnock where he restores and labels all books donated to the scheme.

Over the last year a gentleman has been working in his local library and has been receiving fantastic feedback so much so that he is now going along to work on a Friday evening to help the staff closing the library for the weekend and now needs no prompting from the staff as he can go through the routine with minimum supervision.

A gentleman from Paisley has just recently joined our in house trainer's team and now helps in the deliverance of the support employment workshops, which has had a fantastic response both from the people attending the workshops but also from the gentleman himself. His confidence has grown so much that he now travels to and from the office himself.

Our Employment Champion's continue to share their stories of what their work means to them and recently a young gentleman from Ayr was interviewed by the Scottish Consortium for Learning Disability (SCLD) around his posts. Two other Employment Champions took part in our Circle Connection and Relationships workshops this year by coming along to the last two workshops telling their story of how they got their jobs by community mapping and building the relationship with local employers and what having a job has meant to them in terms of friendships.

We continue to build good working relationships with local employers by attending local events such as the Ayrshire Supported Employment Network, Chamber of Commerce, Jobcentre Plus events and Learning Disability Week.

Friends and Independent Lives

Over the last year we have again run the Circles, Connections and Relationships workshops which 14 staff attended. The workshops help staff unpick the importance of having friends in their own lives, and linking their own personal experiences and behaviours to help develop and maintain friends for the person they support. These workshops also look and perhaps challenge the myth behind being a friend and a support worker.

Some people who attended the first workshops in 2010 and have successfully helped the person they support make connections in their community have been invited along to the workshops this year to support the individual tell their story on how they did this, what it has meant to the person and the difference it has made to their lives. We have found that by people sharing their stories, being honest around the barriers and challenges they experienced, the small steps and time it has taken has really helped and motivated other teams.

One team have supported the person to follow and join the local pool league and has now has built up a young group of friends, and has over the year has been invited to barbeques, birthday parties and had several of his friends involved in his planning day.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Promoting Citizenship Achievements (continued)

Circles of Support

A gentleman in East Ayrshire has recently had a Tea party and invited a lot of people he knew locally such as his hairdresser, Cathy in the local Bakers, his work colleagues and the people he goes to his Wednesday Club with. The night was such a success with nearly everyone coming along and it provided an ideal opportunity for people to see pictures and find out a bit more about him and what he enjoys. It also provided an ideal opportunity for the team to speak to people around what a circle of support is and how it would benefit the gentleman.

Community Circles

Over the last year Audrey O'Brien (freelance Artist) continues to work on developing a small community circle in Kilmarnock. Recently we met up with Tony Bone a Police Officer from the crime prevention unit who is currently involved in setting up an Asset project in the North of Kilmarnock. The Asset project comes from the Asset-Based Community Development Institute (ABCD) and holds similar principles to that of a community circle by building on the skills of local residents, the power of local associations, and the supportive functions of local institutions. Asset-Based Community Development draws upon existing community strengths to build stronger, more sustainable communities for the future. East Ayrshire Council, two local Churches, Tesco, East Ayrshire North Communities Federation and several local residents are also involved, they have held two listening events which give the local residents a means to voice what they want their community to look like.

Promoting Citizenship Future Developments

Employment

The importance of linking employment for the people we support to everyone's support and supervision and annual appraisal will be promoted throughout the organisation in a bid that everyone takes ownership of driving employment forward for the people we support. The supported Employment workshop will continue to be part of the induction week so from the onset all new staff will know the expectation of helping the people they support at work or find work.

The Employment Co coordinator will continue to monitor the teams that they maintain to help the person they support find and sustain work. This will be done through Team Leaders group meetings, communication meetings, sharing stories through support workers days and working closely with Service Leaders.

Circles of support.

Over the next year we plan to help and develop further circles of support around an individual in North Ayrshire. This individual has a large family that he spends most of his time with but his team feel a circle could help offer him support in the future and around some changes he may need to make with his house.

We will continue to support the gentleman in East Ayrshire build his circle of support and also the lady in South Ayrshire.

Citizen Leadership

Citizenship happens when people have the power, influence and responsibility to make decisions, to have a say, to challenge inequalities and have some control over support services they receive. Andy and Clare from SCLD came along and delivered a National Citizen Leadership 2 day workshop to support individuals, staff and families become good and confident trainers and help the person they support become more involved in their own decision making and taking more control over their life, care and support service.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Promoting Citizenship Future Developments (continued)

We had 17 people attend which was a mixture of staff, people we support and family members, who have since met and discussed how they are going to take this forward with the people we support and their families and decided that a small sub group of people who attended will be creative and design the course to deliver it to the people we support and their families. Another small group of people who attended are keen to raise awareness of the principles of citizen leadership and proposing to get involved in delivering a presentation at events such as practitioners day, approaching the NHS, local schools and linking in with other providers in their area.

Community Circles

We will continue to support the work being done in North Kilmaronock with the Asset Project and assist in the facilitation of two further community circles in Kilmaurs, Troon or Ayr. This will be done in partnership with other organisations.

Dates and Mates

Dates and mates is an accessible membership based dating, friendship and networking agency run by and for people with learning disabilities/difficulties. Over the past couple of years and with the support of the Dates and Mates team at C-Change for Inclusion in Glasgow and Stars in the Sky in Birmingham we have been working on establishing a locally based dm2 (dates n mates) in Ayrshire. In February this year we recruited two Directors and held our first event in April this year but as we have not secured our main funding yet we did not organise an elaborate launch but rather organised a Buzz Disco in a local bar in Ayr. It was an overwhelming success with over 60 people attending not including their staff; we have since held another similar event in a local bar in Kilmaronock where over 70 people attended. Our plan for the next year is to recruit a full time Project Worker who will coordinate the events and support the two Directors to promote the project, meet all new members and facilitate the events. We shall hold two events each month in our first year, going up to three events in 2013, and then four events each following year. We will also promote many other events happening in and around Ayrshire on our website and newsletter offering a one stop shop of communication. We will continue to support and recruit for our advisory group with members with certain skills from other local similar organisations and people with disabilities who will help us develop and grow.

Funding

We have secured funding from Gordon Frasier Foundation to purchase two Laptops for dm2, secured some funding from East Ayrshire Council as a start up fund and have approached South Ayrshire Council for a similar amount and are waiting to hear. We had applied to Esmée Fairbairn Foundation for our main funding and have just recently completed the second stage application and are awaiting a reply. Partners for Inclusion have also helped to fund the start up of the project by donating services in kind and offer on-going resources.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Training and Development Objectives

Our Programme of Learning, Development and Training continues to promote the principles that a more valued, competent and confident workforce assists the people we support and their families to feel valued, respected, included and supported to make choices and achieve their goals. We are therefore focused on providing accessible, affordable and relevant training opportunities and this is reflected in how we plan and deliver learning and development opportunities across the Organisation and also in partnership with our sister Organisations (Just Connections and beyond Limits). We also continue to build on maximising the impact of training by assisting participants to take their learning back to share with their colleagues and teams for the benefit of people we support.

Training and Development Achievements

Our targets for supporting the workforce in accredited training for meeting the Scottish Social Services Councils (SSSC) Registration requirements continues to be achieved. We continue to achieve a high rate of success with our current elective training courses and the majority of Team Leaders employed by our Organisations now hold both a first line management qualification as well as the required certificate in Health and Social Care. Linked to this, we are about to embark on a pilot of an SVQ 4 in Health and Social Care for three Service Leaders. Our in-house training programme is increasingly promoting in-team learning combined with the continuous expansion of our library facilities. We recognise the benefits of this model of wrapping the training around the person supported to further promote a person centred approach towards learning activities is leading to better outcomes for the people we support and personal development rewards for the workforce.

Training and Development Future Developments

One part of our strategic plan for the next three years sets out the strategic objective for us to 'establish a culture of continuous development which promotes both learning and how best to use our knowledge'. With this in mind and following broad consultation about evaluating and researching learning which improves the work of staff at Partners for Inclusion and Just Connections, we will continue to action plan around feedback, including creating greater opportunity for team leaders to drive and facilitate in-team learning in a person centred way. Another Strategic Objective 'to ensure that we have a financially sustainable future and a capable workforce that is able to manage the resources with maximum effect', leads us to plan around developing the marketing of training that is attractive and affordable to other Organisations. This is already generating a small income to recoup organisational cost associated with the delivery of training and further promote the reputation of Partners for Inclusion. Better use of IT and further promoting the Self Directed Support agendas will also continue to be the focus of future learning, training and development activity for our organisations.

Just Connections Objectives

Just Connections was established in line with the ethos of Partners for Inclusion who wished to remain small and use its experience to develop new organisations and for them to become independent when viable to do so. Operationally Just Connections mirrors the ways of working established by Partners for Inclusion and shares a common mission and vision. Its initial work, on behalf of South Ayrshire Council, was to support a number of young adults transitioning from school to adult life. It is however established to support people of all ages who live within Ayrshire or Renfrewshire to live the life that they choose. The support teams within Just Connections focus their efforts on designing and delivering services in partnership with the people we support, and their families, with emphasis on independence, connections with the local community, employment and natural relationships.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Just Connections Achievements

Following a year of significant growth in 2010 - 2011 the Just Connections team have only developed one new service this financial year. This one additional service does not accurately illustrate the growth in activity as a number of individual people's services have increased in the support delivered reflecting their transition from school, hospital or parental home to live life in a home of their own within their community.

Recruitment and retention of a stable leadership team, with the skills and gifts suitable for the role, remained a challenge for Just Connections this year. A focus on the development of a robust leadership team during the year has successfully delivered an expanded team of Service Leaders with the creation of the post of Senior Service Leader. The focus of the role of Senior Service Leader will be to mentor Service Leaders and maintain levels of quality assurance across Just Connections. The recruitment of additional Service Leaders has given us the capacity to develop new services in the future.

Despite the economic climate the requests to develop new services has not diminished and regular requests to provide services to people are made by local authorities and parents. This has given us the confidence to invest in capacity and look to the expansion of Just Connections in the coming financial year. As of March 2012 six people have been nominated by local authorities for new services which will be developed throughout the year.

To support the growth of the organisation and work congruently with the organisations philosophy that decisions regarding the lives of people we support should be made as close to the person as possible we have continued to focus on empowerment of teams and the devolving of decision making. This has had some initial success with change in behaviours and practices being evident in the Just Connections leadership team.

In February 2012 Partners for Inclusion's Board of Trustees supported the proposition to work towards Just Connections being an independent organisation in the future. This decision was in keeping with the original vision for Just Connections which had been delayed due to the uncertainties in economic climate and commissioning of new services by local authorities.

Just Connections Future Developments

The Just Connections team face significant challenges over the coming year in preparation for its proposed separation from Partners for Inclusion in April 2013. Developing a plan which encompasses the key tasks associated with the separation from the parent organisation and forming of a new organisation will be a priority in early 2013. Integral to this plan will be; consideration of an appropriate company structure; developing a shadow Board of Trustees; communication with people we support and their families; consideration of TUPE arrangements for staff; agreeing commissioning arrangements with local authorities; and the development of a robust financial plan which promotes sustainability in the longer term underpinned by growth in service provision and a lowering of support services costs.

The development of a financial plan will be supported by the growth of service provision in each of the next two years. This will bring the number of services offered to 30 by the end of March 2014. A second important element of the financial planning will be to reduce the cost of supporting front line teams by outsourcing traditional 'backroom' functions to Partners for Inclusion. This arrangement is attractive to both organisations as it delivers some of the economies achieved by larger organisations whilst the two organisations remaining small in keeping with the founding philosophies. Work will commence on the contractual working arrangements between the two organisations following the proposed separation.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Financial Results

The financial results are as set out in the attached financial statements. Incoming resources totalled £5,056,803 for the year under review with the charity having net incoming funds of £48,490. As at 31 March 2012 Partners for Inclusion have an unrestricted funds carried forward of £1,048,256, restricted funds carried forward of £856,184 and Just Connections has restricted funds carried forward of £81,426.

All of the funds that we receive for the people we support are allocated to a restricted Individual Service Fund (ISF) for that person and these are operated under the following principles:

- Decisions are made as close to the person as possible;
- Too much money reduces creativity;
- If you haven't got it you cannot spend it;
- If you have got it you chose what to do with it; and
- Money is transparent and restricted rules apply.

Budgeting for each ISF is delegated to team level involving people we support and their families if they want to be involved, budgets are negotiated on an annual basis and approved by a Director. On a quarterly basis each team reports back to their Service Leader on their finances and meetings are arranged with the Finance Manager and a Director to discuss any significant over or under spends. Each team has access to their own bank account (No. 2 Bank Account) to enable access to their support & travel expenses. These bank accounts are internally audited every six months. The Directorate team are the four signatories on the central bank accounts.

Reserves Policy

As a not-for-profit organisation we are aiming to secure our future stability by holding reserves that ensure that Partners for Inclusion can sustain safely the work that it requires to do and to meet its outgoing liabilities. We continually review the level of reserves that we require to be maintaining a financially secure organisation based on the size of our monthly payroll and other monthly commitments.

The Insurance Fund is set aside to be used to fund any individual services that require additional resources on a reactive or pro-active basis, whereas the Development Fund is for future projects, as and when they arise, that will help the organisation to fulfil its strategic aims and objectives. Partners for Inclusion require at least £300,000 of "free" unrestricted central funds designated towards a building fund for the repair and maintenance of our listed building, West Kirk. Therefore over the next three years we will be designating all unrestricted savings towards this fund. Partners for Inclusion also have a five year development plan in order to save money which involves growing and developing the organisation. We have identified that extra training and developing of staff is required to build capacity in the future. We have designated funds of £150,000 over the next three years in order to achieve this.

Just Connections will designate any restricted savings over the next five years towards their Insurance Fund in order to become a financially viable organisation in its own right.

Partners for Inclusion

Report of the Trustees For the Year Ended 31 March 2012

Risk Assessment

We continue to recognise our responsibility to secure, by all reasonably practicable means, the health, safety and welfare of our staff and that of the people we support, and to develop a culture of well being throughout the organisation. The focus of our initiatives remains to provide policies, procedures and services in an engaging, comprehensive and consistent manner in order to promote a high standard of safety and practice within a healthy working environment.

Every three years we use an independent consultant to carry out a risk assessment with us and during the intermittent years the Strategy Group monitor, review and report on the Risk Register to the Trustees – this was duly carried out during the year.

Investment Powers

Under the Memorandum and Articles of association, the charity has the power to make any investment that the trustees see fit.

Statement of Trustees' Responsibilities

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the surplus or deficit for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then 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 business.

The trustees are responsible for keeping proper accounting records which 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. They are 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.

Disclosure of information to auditors

As far as each of the trustees at the time the report is approved are aware:

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

Partners for Inclusion

**Report of the Trustees
For the Year Ended 31 March 2012**

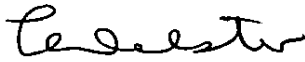
Auditors

The auditors, Scott-Moncrieff, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Small Company Exemptions

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to Small Companies.

On behalf of the Trustees

A handwritten signature in black ink, appearing to read 'Lucia Webster', written in a cursive style.

**Lucia Webster
Trustee**

Dated: 21 August 2012

**Partners for Inclusion
(Limited by Guarantee)**

**Independent Auditors' Report to the Trustees of Partners for Inclusion
For the year ended 31 March 2012**

We have audited the financial statements of Partners for Inclusion for the year ended 31 March 2012 which comprise the Statement of Financial Activities, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charitable company'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 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and the auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Smaller Entities (Revised)".

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Partners for Inclusion
(Limited by Guarantee)**

**Independent Auditors' Report to the Trustees' of Partners for Inclusion (continued)
For the year ended 31 March 2012**

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' report.



**Iain D Lee, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow G2 6NL**

Dated: 21 August 2012

Partners for Inclusion

Statement of Financial Activities (Incorporating Income and Expenditure Account) For the year ended 31 March 2012

	Notes	Unrestricted funds	Restricted funds 1	Restricted funds 2	Total 2012	Total 2011
Incoming Resources						
Contracted funding	3	288,422	3,589,900	1,125,919	5,004,241	4,774,013
Consultancy & Sundry Income	3	34,969	8,321	-	43,290	17,210
Grant Income		-	-	-	-	7,518
Interest receivable	3	9,272	-	-	9,272	9,680
Total incoming resources		<u>332,663</u>	<u>3,598,221</u>	<u>1,125,919</u>	<u>5,056,803</u>	<u>4,808,421</u>
Resources expended						
Direct charitable expenditure	4	-	3,383,952	979,781	4,363,733	4,084,601
Management & Admin	5	266,791	230,450	145,247	642,488	651,207
Corporate Governance		2,092	-	-	2,092	2,187
Total resources expended		<u>268,883</u>	<u>3,614,402</u>	<u>1,125,028</u>	<u>5,008,313</u>	<u>4,737,995</u>
Net (outgoing)/ incoming resources before transfer		63,780	(16,181)	891	48,490	70,426
Gross transfer between funds	14	<u>24,824</u>	<u>(24,824)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		88,604	(41,005)	891	48,490	70,426
Total funds brought forward		<u>959,652</u>	<u>897,189</u>	<u>80,535</u>	<u>1,937,376</u>	<u>1,866,950</u>
Total funds carried forward	12	<u>1,048,256</u>	<u>856,184</u>	<u>81,426</u>	<u>1,985,866</u>	<u>£1,937,376</u>

All activities are classed as continuing.

During the above financial year none of the charitable activities have changed.

The notes on pages 19 to 25 form part of these financial statements.

Partners for inclusion

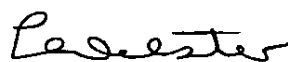
**Balance Sheet
As at 31 March 2012**

	Notes	£	2012 £	£	2011 £	£
Fixed Assets						
Land & Buildings	9		677,104		694,550	
Tangible assets	9		30,891		46,051	
Current Assets						
Debtors	10	946,240		883,187		
Cash at bank	17	1,712,518		1,472,273		
			<u>2,658,758</u>		<u>2,355,460</u>	
Creditors: amounts falling due within one year	11	(1,335,229)		(1,158,685)		
Net current assets			<u>1,323,529</u>		<u>1,196,775</u>	
			<u>2,031,524</u>		<u>1,937,376</u>	
Provision for liabilities and charges	19	(45,658)				
Total assets less liabilities			<u><u>1,985,866</u></u>		<u><u>1,937,376</u></u>	
Reserves:						
Unrestricted funds	12		1,048,256		959,652	
Restricted funds	13		937,610		977,724	
			<u><u>1,985,866</u></u>		<u><u>1,937,376</u></u>	

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

The financial statements were approved by the trustees and signed on their behalf by:

Lucia Webster
Trustee



Dated: 21 August 2012

Ralph Leishman
Trustee



Dated: 21 August 2012

Company Number: 262549 (Scotland)

The notes on pages 19 to 25 form part of these financial statements.

Partners for inclusion

Notes to the Financial Statements For the Year Ended 31 March 2012

1. Accounting Policies

Going Concern

Partners for Inclusion has sufficient financial resources together with medium term projects across the business. As a consequence, the trustees believe that the charitable company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Accounting Convention

The financial statements have been prepared under the historical cost convention and are in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), applicable accounting standards, the Companies Act 2006 and the Financial Reporting Standards for Small Entities (effective April 2008).

The principal accounting policies adopted in the preparation of the financial statements are as follows:

Financial Reporting Standard Number 1

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Financial Reporting Standard for Small Entities (effective April 2008).

Incoming resources – Contracted Funding

Recurring contracted funding is credited to the income and expenditure account in the year to which it relates. These funds are used to assist the people we support and also include a 7.5% Administration Fee to cover Central Administration costs.

Incoming resources – Interest Receivable

Interest is included when receivable by the charity.

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis. All liabilities are recognised when a contract obligation is in place.

Costs have been apportioned where appropriate between the categories of resources expended in the Statement of Financial Activities.

Direct Charitable Expenditure

These are costs attributable to the provision of the charity's services.

Management and Administration

These are costs attributable to the operation of the charity.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

Partners for inclusion

Notes to the Financial Statements For the Year Ended 31 March 2012

1. Accounting Policies (continued)

Tangible Fixed Assets and Depreciation

All fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs less estimated residual value of each asset over its expected useful life, as follows:

Buildings	–	over 50 years straight line.
Office Equipment	–	25% reducing balance.
IT Equipment	–	25% straight line.

Fund Accounting

Funds held by the charity are either:

Unrestricted Funds

These are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated Funds

These are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects.

Restricted Funds

These are funds that can only be used for particular restricted purposes within the objects of the charity.

Further explanation of the nature and purpose of each fund is included in notes 12 and 13 to the financial statements.

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 the company is limited to £1.

3. Incoming Resources

Incoming resources represents contracted funding received for individuals and for the management and administration of the services plus donations and interest received.

Partners for inclusion

**Notes to the Financial Statements
For the Year Ended 31 March 2012**

3. Incoming Resources (cont'd)

	Unrestricted funds £	Restricted funds 1 £	Restricted funds 2 £	Total 2012 £	Total 2011 £
Contracted Funding					
- Individuals	-	3,568,550	1,039,427	4,607,977	4,397,718
- Administration Services	288,422	21,350	86,492	396,264	376,295
Consultancy	27,937	-	-	27,937	15,903
Office Rental & Room Hire	1,197	-	-	1,197	825
Sundry Income	5,835	8,321	-	14,156	482
Grant Income	-	-	-	-	7,518
Interest Receivable	9,272	-	-	9,272	9,680
	<u>332,663</u>	<u>3,598,221</u>	<u>1,125,919</u>	<u>5,056,803</u>	<u>4,808,421</u>

All Contracted Funding for the people we support includes a 7.5% Administration Fee which covers central administration services.

4. Resources Expended

	Unrestricted funds £	Restricted funds 1 £	Restricted funds 2 £	Total 2012 £	Total 2011 £
Direct Charitable Expenditure					
Staff costs	-	3,162,891	891,755	4,054,646	3,850,518
Training and Recruitment	-	38,023	26,654	64,677	35,114
Other Direct Support Costs	-	183,038	61,372	244,410	198,969
	<u>-</u>	<u>3,383,952</u>	<u>979,781</u>	<u>4,363,733</u>	<u>4,084,601</u>

Partners for inclusion

Notes to the Financial Statements
For the Year Ended 31 March 2012

5. Management & Administration

	Basis	Unrestricted funds £	Restricted funds 1 £	Restricted funds 2 £	Total 2012 £	Total 2011 £
Staff costs –						
Management & Administration	Time	138,452	107,326	95,469	341,247	352,599
Office Costs	Floor Area	23,531	67,902	22,715	114,148	169,611
Staff counselling & Mentoring	Staff Count	(762)	2,785	909	2,932	4,041
Care Commission Fees	Direct	2,022	-	909	2,931	2,931
Professional fees	Direct	16,629	3,905	4,535	25,069	20,243
Mortgage Insurance & Charges	Floor Area	811	18	359	1,188	1,712
Depreciation	Floor Area	14,793	22,098	622	37,513	43,031
Travel & conference	Direct	9,290	-	583	9,873	4,937
Annual Report & Retreat	Direct	3,354	-	1,507	4,861	7,926
PL & EL Insurance	Staff Count	(6,194)	22,631	7,385	23,822	22,144
Other	Direct	19,207	3,785	10,254	33,246	22,032
Repairs to buildings	Direct	45,658	-	-	45,658	-
		<u>266,791</u>	<u>230,450</u>	<u>145,247</u>	<u>642,488</u>	<u>651,207</u>

	2012 £	2011 £
6. Staff Costs		
Wages and salaries	4,089,561	3,927,129
Social Security costs	289,912	290,391
Other pension costs	16,192	17,541
	<u>4,395,665</u>	<u>4,235,061</u>
Director's emoluments	217,724	217,574
Pension costs	6,558	6,617
	<u>224,282</u>	<u>224,191</u>

No fees or other emoluments were paid directly or indirectly to any member of the Board. One employee received emoluments of over £60,000 during the year (2011: one).

The average number of employees (including Trustees) during the year was as follows:

	2012	2011
Support Workers	249	235
Administrative Staff	23	22
	<u>272</u>	<u>257</u>

Partners for inclusion

Notes to the Financial Statements For the Year Ended 31 March 2012

	2012 £	2011 £
7. Movement in funds		
This is arrived at after charging:		
Depreciation of tangible fixed assets	37,513	43,032
Audit services	5,900	5,640
	<u> </u>	<u> </u>

8. Taxation

There is no liability to taxation as the company is exempt under Sections 478-489 of the Corporation Tax Act 2010. The Scottish charity number for the company is SC035125.

	Land & Buildings £	IT Equipment £	Furniture & Fittings £	Total £
9. Fixed Assets				
Cost:				
As at 1 April 2011	782,319	96,893	49,810	929,022
Additions	-	4,441	466	4,907
Disposals	-	(3,551)	-	(3,551)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2012	782,319	97,783	50,276	930,378
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
As at 1 April 2011	87,769	66,047	34,605	188,421
Charge for the year	17,446	16,149	3,918	37,513
Depreciation on disposals	-	(3,551)	-	(3,551)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2012	105,215	78,645	38,523	222,383
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value				
Net Book Value at 31 March 2012	677,104	19,138	11,753	707,995
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value at 31 March 2011	694,550	30,846	15,205	740,601
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	2012 £	2011 £
10. Debtors		
Contracted funding debtor	874,027	837,073
Other debtors	72,213	46,114
	<u> </u>	<u> </u>
	946,240	883,187
	<u> </u>	<u> </u>

Partners for inclusion

Notes to the Financial Statements For the Year Ended 31 March 2012

	2012 £	2011 £
11. Creditors: amounts falling due within one year		
Deferred income	741,436	549,748
Other creditors	155,569	173,075
Accrued charges	306,655	310,757
Other taxes and social security	131,569	115,683
Bank term loan	-	9,422
	<u>1,335,229</u>	<u>1,158,685</u>

Deferred income comprises contracted funding income, which has been received in advance and relates to future accounting periods.

	Building & Central £	Development £	Total £
12. Unrestricted funds			
As at 1 April 2011	436,325	523,327	959,652
Surplus for year	63,780	-	63,780
Transfer from restricted funds	-	24,824	24,824
At 31 March 2012	<u>500,105</u>	<u>548,151</u>	<u>1,048,256</u>

The Building funds are funds designated to maintain and upkeep West Kirk as it is a Listed Building.

The Development funds are general funds available to Partners for Inclusion to enable it as an organisation to fund the development of projects and services that directly benefit the organisation and the people it supports.

	Total £
13. Restricted funds	
As at 1 April 2011	977,724
Deficit for the year	(15,290)
Transferred to unrestricted funds	(24,824)
At 31 March 2012	<u>937,610</u>

Partners for Inclusion's Restricted Funds are recurring funding that has been provided for a particular individual.

Restricted Fund 1 represents monies relating to people supported by Partners for Inclusion.

Restricted Fund 2 represents monies relating to the Just Connections project

14 Transfers between Funds

On completion of the set up process of a service for any new person being supported by Partners for Inclusion any unexpended start-up funds are transferred to unrestricted funds.

When a service is reducing in hours any unexpended non-recurring funds are transferred to unrestricted funds and in the future where there may be an excess of expenditure over recurring funding received in respect of an individual an appropriate amount may be transferred from these funds to offset any shortfall in funding. Transfers are made within unrestricted funds at the discretion of the Trustees.

Partners for inclusion

Notes to the Financial Statements For the Year Ended 31 March 2012

15. Analysis of Net Assets between funds	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted	707,995	340,261	1,048,256
Restricted	-	937,610	937,610
	<u>707,995</u>	<u>1,277,871</u>	<u>1,985,866</u>

16 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund.

There were unpaid contributions of £2,559 (2011: £2,697) outstanding at the year-end, which are included within creditors (2011: £41,453).

17 Bank

Included in bank balances are funds held in "No 2" accounts, which cover committed amounts of Individual Service Fund expenditure not yet paid at year-end. Total monies held in these accounts at the year-end were £54,801.

18 Related Parties

Mary Leishman is the spouse of one of our trustees and during the year she was successful in tendering for and carrying out an Investors in People review. She helped us to apply for the Gold Investors in People Award and provided services totalling £1,296 doing so (2011: £805).

Suzanne Maxton is a chartered accountant and the spouse of one of our trustees. During the year she was selected for a 1 year part-time fixed term contract as an accountant. This has enable our Finance Director to look at the structure of how we currently provide financial and administrative services to the people we support, their teams and our management teams in a bid to provide these services in a cheaper and more efficient way, to explore sharing these services and helping other organisations in their development and also to work on the development of our bespoke Carista system. Suzanne Maxton's salary from the date she was appointed to the year end amounted to £10,537.

19. Provisions for liabilities and charges	2012 £	2011 £
Provision in respect of repairs to West Kirk building	<u>45,658</u>	<u>-</u>