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Annual report  
and accounts

Time to get equal

scope

About cerebral palsy.  
For disabled people achieving equality.

**2008/09 Annual Report & Accounts**  
**17 July 2009**

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## Chair's introduction

This has been my first full year as Chair, and it's been both eventful and satisfying, with challenges and successes in equal measure. Many of these are reflected in this Annual Report and Accounts, which I am pleased to introduce.

Helping to bring about the changes needed for disabled people to achieve equality is no small task. At Scope, we continue to approach this work in two ways: delivering services and campaigning for change.

Our service delivery goes from strength to strength. Three years ago, only 15% of our services were being graded as 'good', 'excellent' or 'outstanding' when inspected - now it's over 80% after another year of improvement.

We are committed to creating services that disabled people will choose to use. On top of our commitment to quality, this means transforming the services we have and developing innovative new ones. Over the last year, we have successfully won tenders for such innovations, like our bid to provide brokerage services in Suffolk funded under the 'Aiming High for Disabled Children' programme.

Since last April, we have also opened a move-on service specifically for young disabled people leaving Beech Tree School in Preston, moved a skills development centre in Plymouth to a new, more suitable building at the heart of the community and established inclusion teams in several regions. The personalisation agenda means that disabled people and their families will soon decide on the services purchased for them. It is our ability to transform and innovate that makes us well positioned to capitalise on the opportunities this will create.

Our information and advice offering is also a key part of our service portfolio and I am pleased to welcome DIAL UK, who we merged with this year. Together, we will provide support for a network of over eighty disability information and advice lines. Combining our knowledge and resources in this way will help us to continue offering vital support to disabled people and their families.

We continue to build constructive relationships with the public and with parliament. As I write, we've just received the news that the UN Convention on the Rights of Persons with Disabilities has been ratified. I strongly believe that the 50,000 signatures collected for a petition last June, and our campaigning as part of the UN Convention Campaign Coalition (UNCCC) in Westminster, Cardiff and Brussels, have had a direct influence on this. There is much more work to do as we were disappointed that the UK

government chose to make reservations against certain elements of the Convention.

Further evidence of our campaigning impact came in December, when the Government published its action plan to improve services for children and young people with speech, language and communication needs. Everything we'd asked for in our 'No Voice, No Choice' campaign, supported by BT, had been included.

Working as a credible and respectful ally continues to be fundamental to our vision and purpose, and we are especially pleased to have been able to support and work as part of the Disability LIB alliance in delivering a significant Lottery-funded programme to provide capacity building expertise to 200 disabled people's organisations throughout the country. This programme has been running for a year now, and will continue for a further two years.

Of course, we cannot do any of this without an effective infrastructure and sound financial management. We are still very much in a phase of financial recovery and have ended the year with a small surplus. Our ambition to move from recovery into growth has been checked, but certainly not changed, by the difficult financial environment. Our fundraising, like that of other charities, has suffered in the recession – the value of legacies being of particular concern to us. However, we did come remarkably close to our target, showing just how robust our planning is. And we've kept a close eye on costs over the last twelve months, putting us in a position where we can make more realistic projections for the future.

An organisation that's about driving change has to be able to measure whether the change is happening. We also need to know to what extent we directly influenced that change, and be able to demonstrate this to ourselves and to others. This will also enable us to meet the new requirement by the Charity Commission to report on our public benefit. It's a challenge, and one we continue to address.

So it has been a year in which we've shown our resilience in a challenging environment. Over and above this, it's been a year of building on our strengths; providing better services to more people and scoring some notable campaign successes. I am proud to present this report.

**Alice Maynard**  
Chair

# Report of the Board of Trustees

## 1. Aims and principal activities

### Objects

Scope, the cerebral palsy charity, is established for the public benefit and for general charitable purposes according to the laws of England and Wales and in particular, but not exclusively, for the promotion of equality, diversity, independence and health of disabled people, especially those with cerebral palsy.

**Our Vision** is a world where disabled people have the same opportunities to fulfil their life ambitions as non-disabled people.

**Our Purpose** is to drive the changes that will make our society the first in which disabled people are able to realise their full civil liberties and human rights.

Our focus in everything we do is disabled people's equality. This has to be about all disabled people, while recognising that Scope's particular expertise and therefore focus is in supporting disabled people with complex support needs and especially disabled people with cerebral palsy, to access choice and control over their lives, progression, inclusion in the community, independence and their civil and human rights.

**Scope set itself a number of objectives and targets for the year 2008/09. Our achievements against these are set out below:**

## Service delivery & innovation<sup>1</sup>

Scope benefits a variety of people in different ways. All of our services benefit the disabled children, young people and adults who use them. Our schools, college and early years service provide a learning environment for disabled children and young people that enables them to learn new skills or realise opportunities that may not otherwise be available. Our domiciliary, outreach and day services for disabled adults provide an environment that is appropriate for the needs of their customers.

Our expertise in working with disabled people with complex support needs has developed over more than fifty years and we continue to innovate new services to ensure that we are supporting people in a way that suits them and their needs. We now provide direct face to face services to more people in their own homes and communities than we do in our own residential buildings and we are proud of this gradual shift in the focus of our service provision as it reflects what disabled people have told us they want – to be supported to live independent lives within the community of their choice.

Some of our larger services have a significant impact on their local communities, particularly our schools and college. We ensure that we work in partnership with these communities and there are many examples of the benefit of our services being felt mutually by customers and local people. For example, our school near Royston, Meldreth Manor, has campaigned over several years in partnership with local residents to enhance the accessibility of its local train station; and a continuing increase in the number of our pupils attending both our schools and local mainstream schools has increased the visibility of disabled children within local communities to the benefit of everyone.

### **Target - 85% of service inspections achieve good or higher standards**

The majority of Scope's services for children, young people and adults are inspected by one or more inspectorates including Ofsted, Estyn (Her Majesty's Inspectorate for Education and Training in Wales), the Commission for Social Care Inspection (CSCI, now the Care Quality Commission), and the Care and Social Services Inspectorate Wales (CSSIW). By the end of the year 81% of our services had achieved good or higher standards including all four of our schools in England which received an "outstanding" rating from Ofsted Welfare, and all of our services for Adults in Essex maintaining their excellent ratings from CSCI for the third year running.

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<sup>1</sup> This includes our work in residential services for disabled adults; domiciliary, outreach and day services for disabled adults; education services in our schools and college; inclusion and transition services for disabled children and young people and our information, advice, employment and support services. Our expenditure in these categories can be seen in our Statement of Financial Activities on page 33.

**Target - Six successful service innovations will be introduced – Scope Inclusion Teams 2 and 3, Orchard Manor 3, Fostering and two Move On services**

During the year we made significant progress in service innovation, with seven new services. We opened three new Scope Inclusion services (one in the north west of England, one in the East Midlands and one in West London) which provide a range of support to disabled children and adults enabling them to increase their independence and take an active part in their local communities.

In July the third flat at our Orchard Manor transition service opened for business. This service provides rare opportunities to disabled young people with complex support needs who have left school and want to increase their independence. The service is already oversubscribed and has a waiting list for future places.

Our new fostering service in East Anglia opened during the year with its new fostering panel recommending approval for its first three foster carers. The first fostering placement has also now been agreed.

Our new move on service for young disabled people opened in Preston. Hannel Lane provides opportunities for young people to begin to “move on” from special education and establish their lives as independent adults in ordinary domestic housing, while accessing the all-important support services they need.

The government’s Aiming High for Disabled Children initiative also provided further opportunities for service innovation during the year. Suffolk County Council have engaged Scope to run their brokerage service using an innovative “travel agency” model which we hope will have a positive influence on similar services begun by other authorities. We have also been chosen by Derbyshire County Council to be their specialist provider for community inclusion services for the east of the county for children with complex support needs.

**Target - Co-production and empowerment training delivered in all six services in transition**

We have worked hard to ensure that all of the individual customers of our services in transition have been at the heart of the work to transform and improve what we do. All of the customers involved have received empowerment training in order to make sure that they have the skills and experience they need to make informed choices.

As part of our ongoing Service Transformation Programme we have made progress in transforming many of our services during the year, including the relocation of Plymouth Skills Development Centre and the completion of the re-provision of Gladys Holman House into Rosewarne, which was designed in co-production with its residents and had its official opening during the year. The Bedford service in Buxton closed during the year, with all 9 of its residents moving on to services of their choosing, 5 of them to other Scope services.

Our services cover England and Wales and attract customers from across the country. We place no geographical restrictions on our services, other than those imposed due to legal restrictions on local authorities purchasing services from outside of their region. Nor are there restrictions due to an ability to pay as all our services are either free to the general public or paid for by local authorities, the NHS or government agencies or disabled people themselves using direct payments or individual budgets. We continue to campaign for increased opportunities for disabled people to purchase services directly in the communities of their choice, controlling the funding for which they are eligible themselves.

### **Target - RateUs (customer satisfaction surveys) deliver an 80% success rating**

We began the year expecting to roll out a system of customer satisfaction rating called RateUs which had been trialled in some of our services during the previous year. However, when we evaluated its use in those services we learned that the structure and nature of the questions asked within the system were not always accessible to the people who use our services and we decided not to continue with its use. We remain committed to co-producing our services with our customers and ensuring that every one of our customers has a person centred plan in place and that this is reviewed at least annually. We are also examining alternative customer satisfaction rating systems in order to find one that is fully accessible for our customers.

### **Other achievements in service delivery and innovation**

We have also made a number of achievements in our Information, Advice, and Employment Support Services. Our Scope Response service directly benefits the thousands of parents, carers, professionals and disabled people who contact us each year.

In August 2008 DIAL UK became part of Scope Response when 85% of DIAL members voted to merge with Scope. This strategic partnership brought together our services providing better independent information,

advice and support to more disabled people and their families. Through our network of member groups and through our helpline we are directly reaching 50,000 people a month with a further 75,000 information downloads from our website.

Our Employment service continues to provide a good and improving service to disabled people seeking work. This year we have confirmed our quality improvement by achieving a successful Ofsted inspection with an overall good rating with our strengths identified as:

- good progression into open employment,
- very effective target setting and reviews,
- good development of personal, social and vocational skills,
- good work places,
- good personal and practical support for participants,
- very effective action to improve the quality of our programme,
- good operational management,
- strong strategic vision for development of the Workstep programme.

## Engagement, influence & challenge<sup>2</sup>

### **Target - Number of people engaged with Scope reaches 250,000**

People are engaged with Scope in a wide variety of ways, including volunteering in our shops and services, registering to use our website content, reading our monthly Disability Now magazine and as customers of our many services. The number of people now engaged with Scope through these and many other ways is 275,854. We believe that by engaging with more and more people we are in a better position to achieve our mission of equality for disabled people.

### **Target - Generate 25,000 responses to Time to Get Equal asks**

We held our second annual Time To Get Equal week during June 2008 and this included more than 150 events across the country to get people involved in the campaign. These included a successful rally and lobby of parliament as part of the “Our Lives, Our Choices” campaign, the first ever Disability Pride festival in Cardiff, a round table discussion on social care reform and a hard hitting cinema advert highlighting disability hate crime which was seen by more than one million cinema-goers. One of the main activities of the week was to get as many people as possible to sign a petition calling on the government to ratify the “UN Convention on the Rights of People with Disabilities” without reservation. In total we gathered nearly 50,000 signatures and more than 300 petition books were delivered by truck to 10 Downing Street on 5 November 2008.

### **Target - 50 disabled people’s organisations rate Disability LIB as having a positive impact**

We are now one year into the three year programme of Disability LIB (Listen, Include, Build) which is a National Lottery funded project in which we work in coalition with 6 disabled people’s organisations (DPOs) to build capacity in 200 DPOs (over three years) across England. The coalition consists of: Disability Awareness in Action, Preston Disc, Alliance for Inclusive Education, Equalities National Council, People First, United Kingdom Disabled People’s Council and Scope. 38 DPOs have received support, in Year one against a target of 20, with 35 organisations having capacity building audits. Also a database has been developed which contains details of 320 DPOs.

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<sup>2</sup> This includes our work in campaigning and capacity building. Our expenditure in this and other categories can be seen in our Statement of Financial Activities on page 33.

**Target - Disability Now's website is redesigned as successfully as the magazine**

Following the successful relaunch of our Disability Now magazine last year it was our intention to relaunch the magazine's website this year. However, due to financial pressure on the magazine and the need to restructure the way in which it is produced we postponed work on the website until this restructure could be completed.

**Target - 80% of Scope Assembly rate their membership of the Assembly as effective**

Following our successful review of Scope's governance arrangements during 2007/08 we established the Scope Assembly as a way of ensuring that Scope's members have a powerful voice within the working of the Board and its committees. The Assembly met three times during the year and there were also a series of regional meetings through which the ways of working for the Assembly were developed and agreed. Members of the Assembly sit on some of Scope's Board Committees and its Chair, Rosemary Bolinger, ensures that the voice of the Assembly is heard during meetings of the Board. 100% of members attending the Assembly's most recent meeting rated their membership of the Assembly as effective.

**Target - Generate a fundraising surplus of £10,853,000**

At the end of the year we had generated a fundraising surplus of £10,343,000 (excluding support costs) which is slightly below our target. It was a very challenging year for fundraising, particularly due to the negative impact of the economic climate on the value of donations made to us in the form of legacies. There were several highlights in our fundraising work during the year including 125 runners in the London Marathon raising over £200,000; a Ben Nevis challenge in partnership with Capability Scotland which saw eight teams, each led by wheelchair users, climbing the mountain for sponsorship; and we raised over £90,000 through our partnership with Big Brother over the summer.

**Target - 50% of income from "warm" appeals generated on the basis of new human rights message**

We have not achieved this objective as having reviewed it against the interests of our supporters we decided to take a different approach which focused on the practical outcomes of our work with individual disabled people and their families. However we continue to work with our supporters to ensure that they understand our mission to drive the changes for equality for disabled people and our communication with new and existing supporters now reflects that. Of the 5 appeals this year, 3 were explicitly based on the

new human rights message whilst the other two were based on modern services, Scope Inclusion and Transition. In total they raised £505,000.

## **Other achievements in Engagement, influence and challenge**

We continued to ensure that Scope's work and the issues facing disabled people attracted media coverage with an average of more than 100 media hits each month with a total audience circulation of more than 90 million people. We saw a significant shift in our media work following a conscious change of policy with the majority of Scope mentions in the national media featuring a disabled Scope spokesperson.

We have made significant achievements with our campaigning activities during the year:

Our **No Voice, No Choice** campaign, highlighting the needs of disabled people with significant communication impairments, was incredibly successful. We worked very closely with the Bercow review which focused on the needs of disabled children in this area and the government has taken forward its recommendations in establishing a new commissioning framework for children's equipment. We were successful in influencing the Government's policy agenda, creating a robust evidence base and strengthening Scope's networks in the communication field. We also consulted with 50 professionals on the future design of a commissioning framework for children's equipment. Through our partnership with British Telecom, BT Apprentices who are ambassadors for the No Voice, No Choice Campaign met with Prime Minister Gordon Brown MP to talk about the campaign.

We published our **Disablism Audit** in January 2009 focusing on perceptions of choice and control using input from the 1,300 disabled adults who responded to our survey. This is the first in a planned annual series of research focusing on disabled people's own perceptions of choice and control, comparing this to what non-disabled people say about their lives. This helps us better understand disabled people's lived experience and provides us with evidence on which to base our future campaigning activities, as well as informing our work to design new services.

Working as a member of the **UN Convention Campaign Coalition** we successfully influenced the removal of half of the proposed reservations to the ratification of the UN Convention on the Rights of People with Disabilities and getting the Government to sign the Optional Protocol which will give individual disabled people the right to take legal cases directly to the UN.

In partnership with a coalition of age, disability and human rights organisations we secured a **Government amendment to the Health and Social Care Bill** to close the loophole that exempts private and third sector providers of public services from compliance with the Human Rights Act.

The **revised Equality Bill contained a number of Scope's key asks.**

These include: extending the Disability Equality Duty to public authority procurement; giving Tribunals greater powers to make wider recommendations and force schools and employers to make specific changes; outlawing age discrimination and enabling group legal actions and combined multiple discrimination cases.

**Other achievements include:**

- We continued to increase the number of people engaged with our campaigning work and recruited over 900 new campaigners in just four months through face to face meetings, talks and training sessions.
- We produced eight pieces of new research, including a report on the implementation of the Mental Capacity Act and a report on disability Hate Crime.
- We responded to more than 30 Government consultations, including Reform of the Care and Support system and the review of No Secrets safeguarding vulnerable adults guidance.
- We were successful in triggering a debate in the Welsh Assembly on the need to provide suitable access to Further Education in Wales for young disabled people with complex support needs.
- We provided written evidence to three Select Committee enquiries and gave oral evidence to the Joint Committee on Human Rights.
- Scope also won the ComRes award for Best Disability Charity for Communicating with Parliamentarians, as voted for by MPs.

## Scope as an ally of disabled people

### **Target - Our How to Co-produce Guide effectively communicated to all managers**

The Guide, containing information on how to ensure that our customers are involved in and lead the development of our work wherever possible, has been widely communicated to all staff during the year. We have also agreed a co-production statement that informs all of our plans and work with disabled people:

In Scope, co-production is where our staff use their skills, expertise and resources to work with disabled people to:

- Design and develop services
- Promote disabled people's human rights
- Facilitate equality for disabled people

Co-production ensures that:

- Scope is led by the lived experience of disabled people
- Scope practices the principle of nothing about us without us
- Scope enables disabled people to achieve choice and control over their lives
- Scope provides services that disabled people choose to use
- Scope undertakes activities that disabled people say are the right ones

### **Target - The mechanism through which Time to Get Equal will be co-produced is identified and agreed**

Planning for TTGE Week 2009 began with a consultation in November and December. A consultation questionnaire went out to all Scope stakeholders including staff, volunteers, service users, Scope Assembly, Scope members, DIAL groups and the Marketing Advisory Panel, as well as being publicly available on our website. Plans for TTGE Week were also discussed at the Regional Members meetings in January.

TTGE Week 2009 started to be designed on the principle that our primary aim would be to empower and support disabled people to campaign on the issues which mattered to them in their local area. This would also form the basis of co-production of future campaigns, allowing us to see what disabled people opt to campaign on locally, so this can influence our own campaigning priorities and plans.

**Target - Double the number of activists engaged with Scope's work**

During the year we worked in partnership with 25 Disabled People's Organisations (DPOs) to remove the reservations to the UN Convention on the Rights of Persons with Disabilities. We also worked with three DPOs on hate crime and an additional 100 organisations, both DPOs and non-DPOs, through the disability hate crime network. We continued our work with 10 disabled activists as members of the Independent Living and Equality Zones and began to forge relationships with more than 80 Disability Information and Advice Line (DIAL) groups all of which are DPOs.

## Sustainability

### **Target - 2008/09 year end operating result on or better than budget**

Our year end unrestricted operating result (before the contribution from the disposal of property assets and pensions finance charges) was a surplus of £723,000 which is £692,000 better than target. Many of our operating divisions suffered in this challenging economic environment, in particular; income from legacies which was hit by falling share prices and property values, and our Retail division which faced another year of challenging conditions on the High Street. We were, however, successful in recovering some £2.3m of backdated VAT and associated interest, which offset the shortfalls in operating results.

### **Target - 2008/09 year end cash position on or better than budget**

Our year end cash balance was lower than budget due in part to a weaker than planned opening position. It was also necessary to divest £3.0m of our equity investments to support our operating cash needs during the year. This had not been planned for in the budget.

### **Target - Statutory services to achieve their budgeted contribution of £3.3 million (a 6% contribution to overhead)**

By the end of the year our statutory services had made a £0.6 million contribution to overhead which was significantly below target. There were a number of factors which contributed to this, including our inability to fill places in some of our services when they became vacant during the year. We have set a plan and budget for 2009/10 which we are confident we can achieve and a variety of plans are in place to address those areas which did not deliver the expected results during the year.

### **Target - Retail 2008/09 operating result of surplus £1m**

Our Retail operation provided an end of year contribution of £772,000 (excluding support costs) which is £305,000 below budget. However this is an improvement of £468,000 on last year's performance and is a positive result given the challenging economic context. The future strategy for Retail will be presented to Trustees during 2009/10.

With 260 shops across England and Wales we work with thousands of volunteers, many of whom are disabled people, providing a range of beneficial opportunities for the public to gain experience in the workplace and connect with their local communities; as well as a local recycling service.

**Target - 25% of staff are disabled people by the end of 2009**

We continue to work to this target for the end of the calendar year. At the end of March 2009 22% of our staff were disabled people. We continue to apply a policy of reserving new or vacant posts for disabled people wherever possible and are proud of the positive impact working with such a diverse workforce has on our colleagues and customers.

## 2. People and employment

We set ourselves a number of targets for our work with staff and volunteers including lowering staff turnover and sickness absence and ensuring a good quality induction for all staff. Staff sickness and turnover has decreased slightly over the past year with a continued focus for HR to work with operational managers to further improve this position. Induction training is available for all new staff during their first few weeks in post and this now includes diversity training.

Volunteers make up a major part of Scope's workforce - they are our largest human resource and a crucial asset. During the year we conducted a comprehensive census of all our volunteers and confirmed that we have 7,151 volunteers of which 16.5% are disabled people. They contribute an average of 41,982 hours each week which, using the national minimum wage of £5.73, equates to an annual contribution of £12.5 million.

Our national recruitment campaigns for more volunteers in June 2008 and January 2009 led to a total of 2,104 new volunteers joining Scope shops. This result compares favourably with volunteer recruitment drives run by other major charities.

Volunteers bring a great deal to Scope. In addition to donating their time, energy and enthusiasm, they also bring specialist skills, contacts, influence and much more.

At Scope we are committed to an inclusive approach to volunteering and established an Access to Volunteering Fund in 2005 to ensure that disabled people are able to participate fully. Our fund can be used to pay for reasonable adjustments to be made in order that a disabled person can take up a volunteering opportunity.

### **3. Future plans**

Our plans for 2009/10 follow a similar structure to those of the previous year with objectives in the areas of Service Delivery & Innovation, Engagement, Influence & Challenge and Sustainability. We have set a number of targets for our work during the year, including:

#### **Service Delivery & Innovation**

- Accelerate the development of new services for children and young adults, and the closure or re-provision of traditional adult services which are not in demand, do not promote choice and control or independence or are not financially viable. Prepare for the changes in the employment services market in 2010.
- Continue to improve service quality across all services, and continue to make progress to achieve full cost recovery across all services.
- Achieve the necessary uptake of new services for children and young adults, maintain utilisation and drive down costs in services for adults.
- Deliver the benefits of the Disability LIB programme and the 2008 merger with DIAL UK, both in terms of the benefit to local disabled people's organisations and local DIAL organisations, but also in terms of Scope's learning and reputation as a facilitator and an ally of Disabled People's Organisations.

#### **Engagement, Influence & Challenge**

- Deliver an excellent Time to Get Equal week, with improving impact at both a local and national level and an effective and mission-consistent fundraising element.
- Build on the concrete examples of effective lobbying and public policy development to achieve further change, especially in the areas of adult social care and support, the ordinary residence restrictions and the problems of attracting further education funding to aspiring disabled students, as well as the ongoing ratification of the UN Convention on the rights of disabled people and the development and implementation of the Single Equalities Bill.
- Redesign and redevelop Scope's web presence in the context of a review of the consistency and appropriateness of Scope's brand.

## **Sustainability**

- Maintain our income position and make operational improvements to improve margins in Fundraising and Retail, and build clear strategies for the future in each area which achieve financial growth and significant improvements in the contribution made to Scope's role as a change agent.
- Further embed co-production in all that we do, and achieve the target of 25% of staff being disabled people.
- Achieve an operating surplus of £2.1m and an overall cash-neutral position, following a number of years of financial decline and recovery from 2002 to 2009.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

During the year we spent time developing a long term strategy for Scope to 2018. Through extensive consultation with disabled people's organisations, customers of our services, staff and volunteers our new strategy was approved by the Board of Trustees at their meeting in May 2009. We will use this as a basis to create our plans for 2010-13 initially and will set ourselves objectives and targets for each year and report our progress against them.

## 4. Structure, governance and management

Scope's main governing document is its Memorandum and Articles of Association which were originally established on incorporation of Scope as a limited company on 20th June 1953. Since then they have been amended a number of times, most recently in February 2008.

The Standing Orders of the Board set out more detailed requirements for the governance structure and procedures relating to the operations of the Board of Trustees and decision making. Its appendices include terms of reference for committees and the Scope Assembly; Code of Conduct for Trustees; Conflicts of Interests and Acceptance of Gifts and Hospitality policies and procedures.

We are committed to providing all our trustees with appropriate induction, training and support to enable those serving as charity trustees to fulfil their potential, both individually and collectively. The Standing Orders of the Board require that trustees receive an induction as soon as possible after their appointment is made. In 2008/09 trustees also undertook individual performance appraisals. The results of these will form the ongoing training and development programme for the Board.

Four out of the 14 members of the Board of Trustees are disabled people, with a majority of the other trustees having a direct connection with disability.

The Chief Executive, Jon Sparkes, is responsible to the Board of Trustees for the day to day management of Scope's affairs and for implementing policies set by the Board of Trustees. The Chief Executive is supported in this by the Chief Operating Officer, David Prescott, and Managing Director of Services, Sharon Collins, who together with him function as the Executive Management Board (EMB).

A Scheme of Delegation formally sets out which matters are reserved solely for the Board and which decisions may be taken by Scope managers. This document is reviewed annually.

During 2008/09 the Board of Trustees had seven standing committees - Finance & Sustainability; Services; Nominations; Engagement and Influence; Audit; Human Resources; Property.

The standing committees, apart from Services, have some external members who are not trustees but who give relevant expertise and volunteer their services to assist and support the governance of Scope.

Scope also has five School Boards of Governors, one College Board of Governors, one Transition Service Advisory Body and a Fostering Panel.

## 5. Risk management and internal control

Scope's Board of Trustees has a comprehensive process for monitoring the major risks to which Scope is exposed, as identified by the Board of Trustees and EMB. These risks are kept under review and appropriate systems and procedures have been established to manage and monitor those risks. We maintain a Corporate Risk Register which is regularly reviewed and the management of risk is an integral part of our business planning.

Trustees consider the principal risks and uncertainties that face Scope during 2009/10 to include

- Scope's financial position, especially income and cash flow
- The pace at which Scope can transform its services
- The external environment, including the UK economy and political changes
- Scope's brand profile
- Scope's capacity to achieve all it is aiming to achieve
- Child and Adult Safeguarding and Protection

Scope's Audit Committee's purpose is to monitor and review Scope's risk management structures and processes, its internal and external audit arrangements and its financial statements. It also undertakes a risk-based overview of Scope's governance structures and processes, its performance management, its ethical framework and its internal controls. It reviews arrangements and their effectiveness in practice, and provides independent assurances to the Board of Trustees.

Scope continues to closely monitor its financial position so that it is able to deliver its aim and objectives and respond to risks and uncertainties that may arise, particularly in the light of challenging economic conditions, and in the light of its adverse reserves position (see section 8). Actions have been taken during 2008/09, such as restructuring of some areas, including management and support functions, that will deliver ongoing savings from 2009/10. Detailed cashflow forecasts and sensitivity analyses have been prepared for a period of 12 months from the date of approval of these financial statements. Based on the current overdraft facility and that which is expected to be agreed during the period, these forecasts indicate that the facility used to meet working capital fluctuations within each month, will be sufficient for Scope's requirements.

A range of scenarios have been considered, together with contingency plans to mitigate the financial impact if these risks arise. In addition, the initial performance for 2009/10 has been better than budget. Having reviewed these forecasts, and making appropriate inquiries, the Trustees are satisfied that Scope has adequate resources to continue as a going concern for the foreseeable future.

## 6. Financial Results

Although the economic climate has had a clear impact on this year's results; the strength of the growth in our new and innovative services and our developing strategy for discretionary income generation has in part offset this. We were also successful in recovering a significant claim for backdated VAT with associated interest.

The main headlines are:

- Total incoming resources fell by 2% to £98.4 million (2008: £100.5 million).
- Total expenditure on charitable activities increased by 3% to £66.7 million (2008: £64.6 million)
- Total resources expended reduced by 0.3% to £98.3 million (2008: £98.6 million)
- Fall in value of investments by £1.6 million (2008: £0.8 million)
- Actuarial pensions loss of £2.2 million (2008: £0.5 million gain)

Net incoming resources for the year were £0.1 million with spending levels being almost the same as income for the year, however the spend includes the one off receipt of £2.3 million of VAT and interest recovered in respect of previous periods.

Voluntary income fell by £1.8 million mainly due to the lower value of legacy income realised following the decline in property and equity market conditions.

Despite challenging trading conditions, the contribution made from Retail operations increased by £0.5 million to £0.8 million (excluding support costs, and including donations and other income earned through Scope shops). Total Retail sales reduced in the year, as a result of a strategy to exit from loss making shops. The shops portfolio will be rationalised further in 2009/10.

Fee income, earned mainly from statutory funders for our Services, increased by £1.9 million, which reflects the introduction and expansion of innovative services including our move on, transition, inclusion and fostering services for young people. The overall increase in charitable expenditure has arisen mainly to support this area of new service delivery.

There was also an 11% increase in expenditure on campaigning and capacity building, which is primarily due to the start of the Disability LIB programme in 2008/09.

The majority of expenditure on charitable activities continues to support residential services for disabled adults as well as education services at our Schools and College.

The current valuation of the pension scheme, based on FRS17 assumptions, shows a surplus of £10.8 million (2007: surplus £5.9 million). However, in line with pensions accounting requirements the surplus cannot be recognised as an asset and the increase in the surplus during the year cannot be recognised in the accounts. As a result, this limitation has led to a £2.2 million actuarial loss being recognised for the year. This loss together with the pensions finance charge of £0.7 million represents the additional contributions of £2.9 million that Scope has paid into the scheme during the year. Further details are set out in note 12 to the accounts.

### **Fixed assets**

Net incoming resources include £0.5 million profit on disposal of a property. The largest components of the £2.1 million additions to Scope's fixed assets in the year (2008: £5.6 million) were the building costs of a third flat at Orchard Manor Transition Service and the purchase of a building at Hannel Lane, to enable us to provide new move on services for disabled young people. A summary of fixed assets movements is provided in note 13.

## **7. Review of the activities of the subsidiaries**

During the year ended 31 March 2009, Scope had two active subsidiaries (Scope Central Trading Ltd, and Mac Keith Press, which is under common control). Details of all Scope's subsidiaries, including dormant entities are given in notes 6 and 15.

### **Scope Central Trading Ltd**

The company's main activities are the purchase and sale of new general merchandise, greeting cards, clothing and giftware in Scope's retail chain, as well as generating income through other commercial services including carrying out disabled access audits for employers. All taxable profits generated are transferred to Scope as a Gift Aid payment. The turnover for the year was £2.3 million (2007: £2.8 million) and the net income before taking into account the amounts to be gifted to Scope was £0.8 million (2007: £1.3 million). The reduction in net income is due to change in focus in Retail operations away from sale of new goods, with a greater emphasis on sale of donated goods which is carried out through Scope.

### **Mac Keith Press**

Mac Keith Press is a charity whose central purpose is educating the public about child development and paediatric neurology. The main activity is the publication of a medical journal available on subscription entitled 'Developmental Medicine & Child Neurology' which is purchased by medical establishments and individuals throughout the world and is the leading scientific publication on child neurology. Mac Keith Press also publishes a series of professional specialist books, the 'Clinics in Developmental Medicine', and four new titles were published in 2008/09.

The charity's income for this financial year amounted to £526,000 (2008: £459,000). The cost of publishing books and journals was £512,000 (2008: £575,000). The overall surplus for the year was £8,000 (2008: loss of £121,000). To consolidate the improved financial position, a strategic review of the activities of Mac Keith Press is under way, and a 5 year strategic and business plan will be produced by September 2009.

## 8. Reserves policy

Scope's Reserves Policy focuses on the level of its 'free' reserves. These free reserves therefore exclude restricted, project-designated funds, the FRS 17 pension liability and also that part of general and investment funds that has been used to acquire fixed assets for the charity's own use.

Scope seeks to retain free reserves for two main reasons:

- To manage the risks to which the charity is exposed in the course of its business (including safeguarding activities funded by volatile voluntary income streams or by other sources that may be reduced or withdrawn)
- To finance capital expenditure and future plans in line with Scope's strategic aims and vision.

The Board of Trustees consider that in order to meet these needs, and to operate as effectively as possible under the strategic plan, Scope should hold free reserves ideally in the range of £15 million to £25 million. This would represent between 8 and 13 weeks of expenditure (at 2008/2009 levels).

Scope's general reserves at 31 March 2009 were £17.5 million, however this was represented by fixed assets in use by the charity. The value of unrestricted investments (£1.3 million) was exceeded by unrestricted net current liabilities at the year end, and therefore Scope did not hold free reserves at 31 March 2009 (2008: £0.4 million). The fall in value of investments impacted on the level of free reserves, as well as the £2.9 million charges relating to the pensions scheme recognised in the SOFA in 2008/09.<sup>3</sup>

The Board of Trustees continues to monitor Scope's reserve level and a review of the reserves policy will be completed in 2009/10. The 2009/10 operating plan and 3 year plan to 2013 will deliver operating surpluses to rebuild Scope's reserves, with a long term plan to reach the levels required.

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<sup>3</sup> For more information on Scope's financial management please see Section 5 on page 23.

## **9. Investment policy and performance**

Scope's investment portfolio is managed by Ignis Asset Management, whose brief is to outperform the customised benchmark constructed for Scope by WM Performance Services. At the year end 31 March 2009, the fund yielded a total return of -23.4% compared to the benchmark return of -22.9% due to poor performance in UK equity markets.

£3 million of investments were sold in 2008/09 to meet short term funding requirements during the year. Further details on investments movements are set out in note 14.

The Investment Policy for Scope will be reviewed in 2009/10, to ensure that the appropriate level and balance of investments is held in the light of the reserves policy requirements.

## **10. Statement of trustees' responsibilities**

The Board of Trustees ensures that Scope pursues appropriate and achievable aims and objectives as set out in the Memorandum and Articles of Association, as part of its overarching legal responsibilities as Scope's trustee body.

The trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company Law requires the trustees to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The group and company financial statements are required by law to give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that financial year.

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

- select the most suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare financial statements on a “going concern” basis unless it is inappropriate to presume that the group and the charitable company will continue its activities.

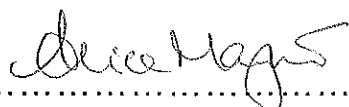
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The trustees are also responsible for the maintenance and integrity of the corporate and other financial information published on the company’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Disclosure of information to auditors**

The trustees who held office at the date of approval of this trustees’ report confirm that, so far as they are each aware, there is no relevant audit information of which the company’s auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company’s auditors are aware of that information.

The Board of Trustees will be recommending to the members at the Annual General Meeting that KPMG LLP is re-appointed as Auditors of Scope for the forthcoming year.



.....  
**Alice Maynard**  
**Chair**

# **Independent auditors' report to the members of Scope**

We have audited the group and charity financial statements (the 'financial statements') of Scope for the year ended 31 March 2009, which comprise the Statement of Financial Activities including the group Income and Expenditure Account, the group and charitable company Balance Sheets, and the group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members 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 as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of the trustees and auditors**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 29.

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. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper 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 other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatement within it. We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent

misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

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

### **Opinion**

In our opinion:

- The financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the charitable company's affairs as at 31 March 2009 and of the group's 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; and
- The information given in the Trustees' Annual Report is consistent with the financial statements.



KPMG LLP  
*Chartered Accountants*  
*Registered Auditor*  
1 Forest Gate  
Brighton Road  
Crawley  
West Sussex  
RH11 9PT

Dated this 23<sup>rd</sup> day of July 2009

**Group statement of financial activities**  
Incorporating an income and expenditure account

**Year ended 31 March 2009**

	Unrestricted funds £000	Restricted funds £000	Total funds 2009 £000	Total funds 2008 £000
<b>Incoming resources:</b>				
<b>Incoming resources from generated funds</b>				
<b>Voluntary income:</b>				
Donations and gifts	8,784	671	9,455	10,457
Legacies	4,786	94	4,880	5,699
<b>Activities for generating funds</b>				
Sale of donated and bought in goods	23,406	-	23,406	25,603
<b>Investment Income</b>	315	-	315	659
<b>Incoming resources from charitable activities:</b>				
Fees	49,698	41	49,739	47,878
Grants	2,997	3,524	6,521	6,175
Sales and other income	3,476	127	3,603	2,475
<b>Other incoming resources:</b>				
Gain on sale of tangible fixed assets	480	2	482	1,504
<b>Total incoming resources</b>	93,942	4,459	98,401	100,450

**Group statement of financial activities**  
Incorporating an income and expenditure account

**Year ended 31 March 2009**

	Unrestricted funds £000	Restricted funds £000	Total funds 2009 £000	Total funds 2008 Reallocated £000
<b>Resources expended:</b>				
<b>Cost of generating funds:</b>				
Fundraising costs	5,678	-	5,678	6,042
Shop costs (including cost of sales)	24,411	-	24,411	26,231
Investment management fees	46	-	46	84
<b>Total cost of generating funds</b>	<u>30,135</u>	<u>-</u>	<u>30,135</u>	<u>32,357</u>
<b>Charitable activities:</b>				
Residential Services for disabled adults	22,495	368	22,863	22,311
Domiciliary, Outreach and Day Services for disabled adults	4,163	558	4,721	5,746
Education Services – Schools	12,802	223	13,025	13,165
Education Services – Beaumont College	7,834	445	8,279	7,683
Inclusion and Transition Services for disabled children and young people	4,966	210	5,176	3,649
Information, Advice, Employment and Support Services	6,071	1,284	7,355	7,301
Campaigning and capacity building	3,465	1,825	5,290	4,772
<b>Total cost of charitable activities</b>	<u>61,796</u>	<u>4,913</u>	<u>66,709</u>	<u>64,627</u>
<b>Governance costs</b>	8	773	-	773
<b>Other resources expended</b>				
Pensions finance charge	12	682	-	682
<b>Total resources expended</b>	<u>9</u>	<u>93,386</u>	<u>4,913</u>	<u>98,299</u>
		<u>98,619</u>		<u>98,619</u>

**Group statement of financial activities**  
Incorporating an income and expenditure account

**Year ended 31 March 2009**

	Note	Unrestricted funds £000	Restricted funds £000	Total funds 2009 £000	Total funds 2008 Reallocated £000
<b>Net Incoming resources before transfers</b>		556	(454)	102	1,831
Transfers between funds		(35)	35	-	-
<b>Net incoming resources before other recognised gains and losses</b>		521	(419)	102	1,831
<b>Other recognised gains and losses:</b>					
Net (loss) on investment assets		(1,600)	-	(1,600)	(835)
Actuarial (loss)/gains on defined benefit pension schemes	12	(2,168)	-	(2,168)	498
<b>Net movement in funds</b>		(3,247)	(419)	(3,666)	1,494
<b>Reconciliation of funds:</b>					
<b>Funds balances brought forward</b>		20,782	4,730	25,512	24,018
<b>Total funds carried forward</b>		17,535	4,311	21,846	25,512

All of the above results are derived from continuing activities.  
There were no gains or losses during the year other than those included above.

The reclassification of expenditure on charitable activities is explained in note 1 on page 42.

**Balance sheets****As at 31 March 2009**

	<b>Note</b>	<b>Group</b>		<b>Charity</b>	
		<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Tangible assets	13	21,138	21,599	21,138	21,599
Investment assets	14	4,143	8,789	4,143	8,789
		<u>25,281</u>	<u>30,388</u>	<u>25,281</u>	<u>30,388</u>
<b>Current assets</b>					
Stocks	16	237	372	131	212
Debtors	17	6,338	11,527	6,476	11,790
Cash at bank and in hand		242	1,219	6	973
		<u>6,817</u>	<u>13,118</u>	<u>6,613</u>	<u>12,975</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(9,016)</u>	<u>(16,174)</u>	<u>(9,507)</u>	<u>(17,119)</u>
<b>Net current (liabilities)</b>		<u>(2,199)</u>	<u>(3,056)</u>	<u>(2,894)</u>	<u>(4,144)</u>
<b>Total assets less current liabilities</b>		<u>23,082</u>	<u>27,332</u>	<u>22,387</u>	<u>26,244</u>
<b>Creditors: amount falling due after more than one year</b>					
<b>year</b>	19	(931)	(833)	(931)	(833)
Provision for liabilities and charges	21	<u>(305)</u>	<u>(987)</u>	<u>(305)</u>	<u>(987)</u>
<b>Net assets (Excluding pension liability)</b>		<u>21,846</u>	<u>25,512</u>	<u>21,151</u>	<u>24,424</u>

**Balance sheets**

**As at 31 March 2009**

	Note	Group		Charity	
		2009 £000	2008 £000	2009 £000	2008 £000
<b>Defined benefits pension scheme liability</b>	12	-	-	-	-
<b>Net assets (Including pension liability)</b>		<u>21,846</u>	<u>25,512</u>	<u>21,151</u>	<u>24,424</u>
<b>Funds</b>					
<b>Restricted funds</b>	23	<u>4,311</u>	<u>4,730</u>	<u>4,311</u>	<u>4,730</u>
<b>Unrestricted funds:</b>					
General fund	23	17,535	19,033	16,840	17,945
Designated funds	23	-	1,103	-	1,103
Investment reserve	23	-	646	-	646
<b>Unrestricted income funds excluding pension reserve</b>		<u>17,535</u>	<u>20,782</u>	<u>16,840</u>	<u>19,694</u>
Pension reserve	12	-	-	-	-
		<u>17,535</u>	<u>20,782</u>	<u>16,840</u>	<u>19,694</u>
<b>Total funds</b>		<u>21,846</u>	<u>25,512</u>	<u>21,151</u>	<u>24,424</u>

These financial statements were approved by The Board of Trustees on 17 July 2009 and signed on their behalf

A Maynard  
Chair



I Black  
Honorary Treasurer



## Cash flow statement

Year ended 31 March 2009

	Note	Group	
		2009 £000	2008 £000
Net cash inflow from operating activities	A	(2,897)	415
Returns on investment and servicing of finance	B	310	656
Net cash inflow/(outflow) on capital expenditure	C	2,038	(3,504)
		<hr/>	<hr/>
Net cash (outflow) before use of liquid resources		(549)	(2,433)
Management of liquid resources and financing	D	(447)	(451)
		<hr/>	<hr/>
<b>(Decrease) in cash in the year</b>	E	(996)	(2,884)
		<hr/> <hr/>	<hr/> <hr/>

		Group	
		2009 £000	2008 £000
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease) in cash in the year		(996)	(2,884)
Cash flow from decrease in liquid resources	D	445	451
		<hr/>	<hr/>
		(551)	(2,433)
New finance leases		(256)	(433)
New property loan		(263)	-
Net funds at 1 April 2008 (restated)		(18)	3,126
		<hr/>	<hr/>
<b>Net funds at 31 March 2009</b>	E	(1,088)	260
		<hr/> <hr/>	<hr/> <hr/>

## Notes to cash flow statement

Year Ended 31 March 2009

### A. Reconciliation of net outgoing resources to net cash outflow from operating activities

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Net incoming resources	102	1,831
Donated tangible fixed assets	(6)	-
Investment income received	(246)	(344)
Interest receivable	(70)	(315)
Interest payable	6	3
Movement in pension provision	-	(2,841)
Actuarial (loss)/gain	(2,168)	498
Depreciation – fixed assets	2,449	2,650
Profit on sale of tangible fixed assets	(482)	(1,503)
(Increase)/decrease in stock	135	(46)
(Increase)/decrease in debtors	5,210	(2,547)
Increase in creditors	(7,145)	2,561
Increase/(decrease) in provisions for liabilities and charges	(682)	468
<b>Net cash inflow from operating activities</b>	<b>(2,897)</b>	<b>415</b>

Notes to cash flow statement (continued)

Year Ended 31 March 2009

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b>B. Returns on investment and servicing of finance</b>		
Investment income received	246	344
Interest received	70	315
Interest paid	(6)	(3)
	<hr/>	<hr/>
<b>Net cash inflow from investments and servicing of finance</b>	<b>310</b>	<b>656</b>
	<hr/> <hr/>	<hr/> <hr/>

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b>C. Capital expenditure</b>		
Purchase of tangible fixed assets	(1,562)	(5,148)
Sale of tangible fixed assets	554	1,652
Purchase of fixed asset investments	(7,414)	(6,664)
Sale of fixed asset investments	7,163	6,301
Divestments	3,297	355
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) on capital expenditure</b>	<b>2,038</b>	<b>(3,504)</b>
	<hr/> <hr/>	<hr/> <hr/>

	Group	
	2009 £000	2008 £000
<b>D. Management of financing</b>		
Capital element of finance lease rentals	(393)	(451)
Capital repayments of property loans	(52)	-
<b>Net cash outflow from management of liquid resources and financing</b>	<u>(445)</u>	<u>(451)</u>

	Group			
	At 1 April 2008 (restated) £000	Cash flows £000	Non-cash changes £000	At 31 March 2009 £000
<b>E. Analysis of changes in net debt</b>				
Cash at bank and in hand	1,219	(977)	-	242
Bank overdraft	-	(19)	-	(19)
	<u>1,219</u>	<u>(996)</u>	<u>-</u>	<u>223</u>
Finance leases	(959)	393	(256)	(822)
Property loan	(278)	52	(263)	(489)
<b>Net funds</b>	<u>(18)</u>	<u>(551)</u>	<u>(519)</u>	<u>(1,088)</u>

Material non-cash transactions - during the year the group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £245,295 (2008: £397,460).

Net funds at 1 April 2008 have been restated to include the property loan balance.

## 1. Accounting policies

### **Basis of preparation**

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in March 2005 and with applicable accounting and reporting standards and the Companies Act 1985.

The particular accounting policies adopted by The Board of Trustees are described below.

### **Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments.

### **Basis of consolidation**

The consolidated accounts of the group incorporate the accounts of Scope and its subsidiary undertakings. The results of the trading activities of non-charitable subsidiaries are summarised in the consolidated statement of financial activities.

### **Incoming resources**

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance and measurability of receipt. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

#### **Fees for services**

Fees are recognised when receivable for services provided, mainly to public bodies, for residential, day care, education and other services.

#### **Grants receivable from government bodies for revenue expenditure**

Grants are recognised in the statement of financial activities when the conditions for receipt have been complied with. Deferred grant income at the year end is included in creditors.

#### **Sales and other income**

This is income receivable for the sale of books and journals, Disability Now, Thorngrove horticultural centre, sponsorship and other incoming resources from charitable activities. (Note 7).

**1. Accounting policies (continued)****Gifts in kind and donated goods and facilities**

Assets given for use by Scope are recognised as incoming resources at their estimated market value when receivable. If they form part of the fixed assets at the year end, they are included in the balance sheet at the value at which the gift was included in incoming resources.

Donated goods for sale in Scope shops are recognised as income when sold.

**Fundraising and other income**

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure. Cash collections to which Scope is entitled but which it has not received by the year end are included in incoming resources in the statement of financial activities and shown as debtors in the balance sheet.

**Investment income**

Investment income is accounted for when receivable and includes the related tax recoverable.

**Legacies**

Legacy income is accounted for when the amount receivable is known with reasonable certainty. Legacies to which Scope is entitled, but for which the value cannot be determined as at the balance sheet date, is not included in these accounts.

**Support Costs**

Scope's operating costs include staff costs, rent and other related costs. All costs are allocated between the costs of generating funds, activities in furtherance of the charity's objects and support and other costs. Most costs incurred by Scope are directly attributable to individual activities. Where costs are not directly attributable to particular activities, they are apportioned pro-rata to the total direct costs of activities or, in the case of shared offices costs, on the basis of the space occupied. A revised basis for allocation of support costs has been used this year and the figures for 2008 have been restated in order to show comparable figures against those for this year.

**Investments**

Investments are stated at market value. Net gains and losses are shown in the appropriate section of the statement of financial activities.

## 1. Accounting policies (continued)

### Charitable activities

Charitable expenditure includes all expenditure directly related to the objects of Scope and are accounted for when payable. Charitable expenditure comprises the following:

**Residential Services for disabled adults** - Represents costs of providing accommodation and associated therapeutic and other support services for disabled adults.

**Domiciliary, Outreach and Day Services for disabled adults** – Represents costs for providing various non residential services for disabled adults, including life skills and personal development support.

**Education Services – Schools** – Represents costs of running day and residential education services at schools for disabled children ranging from pre school to secondary provision.

**Education Services – Beaumont College** – Represents costs of providing residential and day services for disabled young people aged between 19 and 25 at Beaumont College in Lancaster.

**Inclusion and Transition Services for disabled children and young people** – Represents costs of providing multidisciplinary care and respite services to support children in their family home, local community and school, as well as supporting young people from 18 to 25 to live with more independence as an adult.

**Information, Advice, Employment and Support Services** – Represents costs of providing information and advice, supporting families through face to face networks and schools for parents particularly during pre school years, as well as services to help disabled people to secure sustained integrated employment.

**Campaigning and capacity building** – Represents costs relating to our campaigning work with and for disabled people, and in strengthening disabled peoples' organisations.

**Governance** - Represents expenditure incurred in the management of Scope's assets, organisational administration and compliance with constitutional and statutory requirements.

In 2007/08, resources expended on charitable activities was analysed under Scope's 3 strategic strands. This has been changed to further analyse how expenditure has supported Scope's key charitable activities. As a result, the 2007/08 expenditure on charitable activities (£64,627,000) presented last year under the 3 strategic strands (£60,664,000 under Service Delivery and Innovation, £3,576,000 under Engagement, Influence and Challenge, and £387,000 under Sustainability) has been reclassified in line with the key charitable activities as shown in the SOFA under the headings above.

1. Accounting policies (continued)

**Tangible fixed assets**

Freehold properties are stated in the balance sheet at cost or value at the date of receipt, less depreciation.

Tangible fixed assets are stated at cost less depreciation. No depreciation is charged on freehold land. The depreciation of other assets is provided in equal annual instalments over the estimated useful lives of the assets at the following rates:

Freehold land	No depreciation
Freehold property	2%
Leasehold property	2% or over the term of the lease if less than 50 years
Improvements to property	6.66%
Motor vehicles	20%
Fixtures and equipment	20%
Computer equipment and Software	25% or 33.33%

**Funds**

Scope maintains various types of funds as follows:

*Restricted funds*

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes.

*Unrestricted funds*

General funds are funds that are expendable at the discretion of The Board of Trustees in the furtherance of the objects of Scope. Such funds may be held in order to finance both working capital and capital investment.

Designated funds represent an element of general funds allocated by The Board of Trustees for specific purposes.

**1. Accounting policies (continued)****Leases**

Assets held under finance lease are capitalised at their fair value on the inception of the leases and depreciated over their useful lives. The finance charges are allocated over the periods of the leases in proportion to the capital amount outstanding.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Stocks of unsold donated goods are not valued for balance sheet purposes.

**Pension costs**

In accordance with FRS17 Retirement Benefits, the SOFA includes: the cost of benefits accruing during the year in respect of current and past service (charged against net outgoing resources); the expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time, shown as pensions finance charge; actuarial gain recognised in the pension scheme (shown within net movement of funds).

In accordance with FRS17, the balance sheet includes the deficit in the scheme taking assets at their year end market values and liabilities at their actuarially calculated values discounted at year end AA rated corporate bond interest rates. Further details regarding the scheme are disclosed in Note 12.

**Connected charity**

Mac Keith Press, a charity, which is a separately incorporated entity, is under the control of Scope and whilst required to prepare its own accounts, its results and assets and liabilities have been included in the consolidated accounts.

**Notes to the accounts****Year Ended 31 March 2009****2. Income attributable to the main charity**

	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>Charity total incoming resources</b>	96,656	98,187
<b>Net (outgoing)/incoming resources attributable to charity</b>	(3,273)	1,376

Scope Central Trading Limited will make a payment of £884,276 during the 2009/2010 financial year. This will result in no tax having to be paid on the 2008/2009 net profits.

As permitted by Section 230 of the Companies Act 1985, and also paragraph 397 of SORP 2005 no separate statement of financial activities is presented in respect of the parent company.

**3. Legacy income**

Legacy income, for which confirmation of the amount has not been received as at the balance sheet date, has not been included in the incoming resources. The value of these legacies is estimated as £1,717,000 (2008: £2,097,000).

**4. Investment income**

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Interest received on bank deposits	64	296
Interest receivable on investment cash deposits	6	19
Income from listed investments:		
Income received – UK holdings	245	344
	315	659
	315	659

Notes to the accounts

5. Grants receivable

Year Ended 31 March 2009

	Unrestricted funds £000	Restricted funds £000	2009 Total £000	2008 Total £000
<b>Big Lottery Fund grants:</b>				
Awake	-	36	36	45
BASIS	-	-	-	212
Bridgend Inclusion	-	64	64	62
Chester ICT Project	-	-	-	54
Disability Lib	-	1,407	1,407	-
Face to Face	-	49	49	30
In The Picture	-	27	27	108
North West Participation Project	-	44	44	54
Oral History Project	-	-	-	21
Parent 2 Parent Bournemouth	-	-	-	11
Routes to Volunteering	-	79	79	75
Speaking for Ourselves	-	-	-	-
Maze	-	68	68	66
Forward	-	66	66	65
Voices through Advocacy	-	131	131	147
West Norfolk School for Parents	-	-	-	18
Wirral Family Friends	-	-	-	5
<b>Total Big Lottery Fund grants</b>	<b>-</b>	<b>1,971</b>	<b>1,971</b>	<b>973</b>

## 5. Grants receivable (continued)

	Unrestricted funds £000	Restricted funds £000	2009 Total £000	2008 Total £000
<b>Central Government grants:</b>				
Aspirations Chester	-	6	6	-
Awake	-	-	-	10
Beaumont College	-	-	-	48
Cwmbran ICT	-	17	17	-
Disability Champions	-	-	-	12
Face 2 Face Parent Support Project	-	100	100	-
Firma Families	-	-	-	75
Inclusive Volunteering in Health and Adult Social Care Settings	-	55	55	46
Opportunities for Volunteers	-	143	143	141
Parenting Fund	-	282	282	300
Setting the Standards	-	38	38	30
Swindon Living Options	-	-	-	19
Volunteering for All	-	100	100	112
Workstep Programme	2,364	-	2,364	2,574
Other Central Government Grants	(2)	(9)	(11)	110
<b>Total Central Government grants</b>	<b>2,362</b>	<b>732</b>	<b>3,094</b>	<b>3,477</b>

## 5. Grants receivable (continued)

	Unrestricted funds £000	Restricted funds £000	2009 Total £000	2008 Total £000
<b>European Social Fund grants:</b>				
Cwmbran ICT	-	-	-	46
Sully Recycling (TORC)	-	(4)	(4)	-
<b>Total European Social Fund grants</b>	<b>-</b>	<b>(4)</b>	<b>(4)</b>	<b>46</b>
<b>Local Authority grants</b>				
Children's Fund Plymouth	-	-	-	34
Community Choice	-	51	51	30
Craig Y Parc	-	-	-	21
Cwmbran SDC – Rise Project	-	23	23	39
Face 2 Face Cornwall Services	-	144	144	88
Face to Face (Lancs)	-	32	32	19
Knowsley Family Link	-	-	-	37
Liverpool Early Years	41	84	125	293
Milton Keynes Community Service	-	-	-	92
Oldham One to One	11	-	11	54
Scope Inclusion West London	123	-	123	-
Sully SDC – Recycling	-	-	-	27
Survivors of Strokes	-	34	34	-
Swindon Living Options	80	1	81	86
Walton Children's Centre	-	268	268	284
Other Local Authority grants	8	18	26	75
<b>Total Local Authority grants</b>	<b>263</b>	<b>655</b>	<b>918</b>	<b>1,179</b>

## 5. Grants receivable (continued)

	Unrestricted funds £000	Restricted funds £000	2009 Total £000	2008 Total £000
<b>Other grants</b>				
Beaumont Co-location Project	20	-	20	59
BECTA	-	34	34	-
Volunteering in Wales (Bridgend)	-	11	11	22
Calderdale Outreach Service	10	(2)	8	50
School for Parents Ingfield	304	-	304	268
The City Bridge Trust – Scope Response London Regional Worker	-	25	25	-
The Rank Foundation – Powerful Voices Network	-	14	14	-
WCVA: Active Communities (Bridging the Gaps Project)	-	83	83	60
Other grants	38	5	43	41
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total other grants</b>	372	170	542	500
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total grants receivable</b>	2,997	3,524	6,521	6,175
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**6. Subsidiaries' income and costs**

The income and costs of Scope Central Trading Ltd relate to the following activities in Scope:

	<b>Shops</b>	<b>Corporate</b>	<b>Other</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>Fundraising</b>	<b>Fundraising</b>	<b>Total</b>	<b>Total</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Turnover</b>	2,193	-	106	2,299	2,822
Cost of sales	(1,577)	-	-	(1,577)	(1,977)
<b>Gross profit</b>	<u>616</u>	<u>-</u>	<u>106</u>	<u>722</u>	<u>845</u>
Other operating income	-	104	104	208	550
Administration and other costs	(44)	-	(1)	(45)	(88)
Taxation	(121)	-	-	(121)	20
<b>Net income</b>	<u>451</u>	<u>104</u>	<u>209</u>	<u>764</u>	<u>1,327</u>
Amount gifted to the charity	(1,288)	-	-	(1,288)	(886)
<b>(Deficit)/Surplus</b>	<u><u>(837)</u></u>	<u><u>104</u></u>	<u><u>209</u></u>	<u><u>(524)</u></u>	<u><u>441</u></u>

Income and expenditure generated by Scope Central Trading Limited has been incorporated into the appropriate section in the Statement of Financial Activities, relating to the relevant department.

As at 31 March 2009, Scope Central Trading had net assets of £654,425 (2008: Net assets £1,178,224). This comprised assets of £961,258 (2008: £ 1,380,279) and liabilities of £306,833 (2008: £202,055).

**6. Subsidiaries' income and costs** (continued)

The income and costs of Scope Investment and Development Company Ltd relate to property costs in Scope. Transactions not eliminated on consolidation have been included within the support costs of the group and allocated to the relevant activities based on the costs of properties used for each activity. Where properties are used for shared purposes the costs have been determined for each activity based on the area used.

	<b>2009</b>	<b>4 months to 31 July</b>
	<b>Total</b>	<b>2008</b>
	<b>£000</b>	<b>Total</b>
		<b>£000</b>
<b>Turnover</b>	-	193
<b>Gross profit</b>	-	193
Administration and other costs	-	(198)
Taxation	-	33
<b>Net income</b>	-	28
Amount gifted to the charity	-	(129)
<b>(Deficit)</b>	-	(101)

Scope Investment and Development Company Ltd ceased trading at the end of July 2007. The company has been struck off the Register of Companies. Net assets were £nil (2008: £nil). In 2008 net assets comprised assets of £nil and liabilities of £nil.

**6. Subsidiaries' income and costs (continued)**

The income and costs of Mac Keith Press relate to the publication of medical books and journals. Transactions have been included within the charitable activities of Scope.

	<b>2009 Total £000</b>	<b>2008 Total £000</b>
<b>Total incoming resources</b>	526	459
Total cost of charitable activities	512	575
Governance cost	6	5
<b>Total resources expended</b>	518	580
<b>Net incoming/(outgoing) resources for the year</b>	8	(121)

As at 31 March 2009, Mac Keith Press had net liabilities of £207,785 (2008: £215,831). This comprised assets of £197,591 (2008: £337,627) and liabilities of £405,376 (2008: £553,458).

Scope has committed to provide support to Mac Keith Press for at least the next twelve months in light of the deficit in funds. However, it is planned that following its strategic review, the activities will return to generating an operating surplus and this guarantee will not be needed in future years.

**7. Sales and other income from charitable activities**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Disability Now	614	614
Mac Keith Press	518	436
British Gas – here to HELP	100	353
Thorngrove Garden Centre	162	168
Raffles	402	633
Other income from Services	494	97
Rent receivable and other income	1,313	174
	<hr/>	<hr/>
<b>Total Sales and other Income</b>	<b>3,603</b>	<b>2,475</b>
	<hr/> <hr/>	<hr/> <hr/>

**8. Governance**

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Company Secretariat, internal audit and membership costs	584	664
Meeting expenses and AGM	82	97
Legal and professional fees	4	267
Audit fees	103	100
	<hr/>	<hr/>
	<b>773</b>	<b>1,128</b>
	<hr/> <hr/>	<hr/> <hr/>

Governance costs comprise Company Secretariat, AGM, Membership, National Forum and Internal Audit. The costs also include an allocation of indirect costs to cover support from the Chief Executive and other executive directors and service departments. Central administration costs, meeting expenses and AGM costs include expenditure required to support disabled trustees and members to participate fully in the governance of Scope.

## 9. Analysis of total resources expended and support costs

	Activities undertaken directly £000	Support costs £000	2009 Total £000	2008 Reallocated Total £000
<b>The Group</b>				
<b>Cost of generating funds:</b>				
Cost of generating voluntary income	5,164	514	5,678	6,042
Shop costs: Cost of goods sold and other costs	23,137	1,274	24,411	26,231
Investment management costs	44	2	46	84
<b>Total cost of generating funds</b>	<b>28,345</b>	<b>1,790</b>	<b>30,135</b>	<b>32,357</b>
<b>Charitable activities:</b>				
Residential Services for disabled adults	21,387	1,476	22,863	22,311
Domiciliary, Outreach and Day Services for disabled adults	4,443	278	4,721	5,746
Education Services – Schools	12,301	724	13,025	13,165
Education Services – Beaumont College	7,768	511	8,279	7,683
Inclusion and Transition Services for disabled children and young people	4,877	299	5,176	3,649
Information, Advice, Employment and Support Services	6,969	386	7,355	7,301
Campaigning and capacity building	5,032	258	5,290	4,772
<b>Total cost of charitable activities</b>	<b>62,777</b>	<b>3,932</b>	<b>66,709</b>	<b>64,627</b>
<b>Other costs:</b>				
Governance costs	562	211	773	1,128
Pension finance charge	-	682	682	507
<b>Charitable expenditure – sub total</b>	<b>63,339</b>	<b>4,825</b>	<b>68,164</b>	<b>66,262</b>
<b>Net total of resources expended</b>	<b>91,684</b>	<b>6,615</b>	<b>98,299</b>	<b>98,619</b>

## 9. Analysis of total resources expended and support costs (continued)

	Management overheads, HR & Communications	Finance and purchasing	Information Technology	Property and Facilities	Other	2009 Total	2008 Total
	£000	£000	£000	£000	£000	£000	£000
<b>Support costs</b>							
<b>Cost of generating funds</b>							
Cost of generating voluntary income	206	251	111	277	(331)	514	743
Shop costs	822	631	236	336	(752)	1,273	1,409
Investment management costs	3	-	-	-	-	3	9
	<u>1,031</u>	<u>882</u>	<u>347</u>	<u>613</u>	<u>(1,083)</u>	<u>1,790</u>	<u>2,161</u>
<b>Charitable activities:</b>							
Residential Services for disabled adults	685	601	261	291	(362)	1,476	1,819
Domiciliary, Outreach and Day Services for disabled adults	139	85	38	61	(45)	278	629
Education Services – Schools	477	342	153	93	(341)	724	1,101
Education Services – Beaumont College	295	178	84	51	(96)	512	746
Inclusion and Transition Services for disabled children and young people	161	126	54	75	(117)	299	354
Information, Advice, Employment and Support	149	99	39	181	(83)	385	499
Campaigning and capacity building	86	64	22	201	(115)	258	310
	<u>1,992</u>	<u>1,495</u>	<u>651</u>	<u>953</u>	<u>(1,159)</u>	<u>3,932</u>	<u>5,459</u>
<b>Total support costs – charitable activities</b>							
Governance costs	163	-	-	48	-	211	261
Pension finance charge	-	682	-	-	-	682	507
	<u>2,155</u>	<u>2,177</u>	<u>651</u>	<u>1,001</u>	<u>(1,159)</u>	<u>4,825</u>	<u>6,227</u>
<b>Sub total</b>							
<b>Total support costs for 2009</b>	<u>3,186</u>	<u>3,059</u>	<u>998</u>	<u>1,614</u>	<u>(2,242)</u>	<u>6,615</u>	<u>-</u>
<i>Total support costs for 2008</i>	<u>3,833</u>	<u>3,066</u>	<u>901</u>	<u>588</u>	<u>-</u>	<u>-</u>	<u>8,388</u>

*Other support costs in 2008/9 include a one-off credit for VAT recovered of £2,332,194.*

**9. Analysis of total resources expended and support costs (continued)**

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. Similarly, costs will be incurred in supporting income generation activities such as fundraising and in supporting the governance of the charity. Support costs include head office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources, financing and property costs. The property costs of retail premises are categorised as direct costs of Shop costs. The basis of allocation for support costs are as follows:

- Management overheads – 15% of total Executive Directors' costs, including their administration support costs, is allocated to governance. The balance is charged to the services under their responsibility;
- Human resources costs are allocated to services based on headcounts;
- Communications costs are charged on an expenditure basis;
- Finance and Purchasing services, are allocated to services on an expenditure basis;
- Information Technology costs are allocated on an expenditure basis;
- Property management costs are charged to services on the basis of estimated time spent by the central property team at different sites.
- Shared office costs are allocated on the basis of floor space allocated to each department.

## 10. Net incoming resources

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b>Net incoming resources for the year are stated after charging/(crediting):</b>		
Auditors' remuneration:		
Audit of these financial statements	81	93
Under accrual for 2007/08 audit	14	-
Audit of the charity's subsidiaries	8	7
Other services	6	15
Interest payable on bank overdrafts	5	3
Interest charges on finance leases	53	67
Profit on the sale of fixed assets	(558)	(1,504)
Depreciation of tangible fixed assets:		
Owned assets	2,072	1,955
Leased assets	377	695
Net pension finance cost	682	507
Operating lease rentals:		
Equipment	198	252
Property	6,562	6,635
Non-recoverable VAT	124	1,309
	<u>          </u>	<u>          </u>

**11. Information regarding employees and trustees**

The number of senior staff whose total emoluments for the year (including taxable benefits in kind but not employer pension costs), exceeded £60,000 was:

	<b>2009 Number</b>	<b>2008 Number</b>
£ 60,001 - £70,000	10	10
£ 70,001 - £80,000	6	6
£ 80,001 - £90,000	4	2
£ 90,001 - £100,000	2	3
£100,001 - £110,000	0	2
£110,001 - £120,000	2	1
Over £120,000	1	1

Scope previously operated a final salary pension scheme and now has a stakeholder scheme as the main pension provision for new staff.

Scope also makes contributions to other approved schemes for certain staff. These are members of the Teachers Pension (Scheme) operated by the Department for Education and Skills and The Pensions Trust. Contributions paid for the year in respect of senior staff included in the table above for the different schemes, amounted to £86,000 (2008: £76,000).

The salaries and benefits of the Chief Executive are set by The Board of Trustees based on recommendations from Scope's Human Resources Committee (formerly the Remuneration and Succession Committee). This Committee's recommendations are made following an analysis of the salaries of senior staff in comparable organisations, in particular large charities and public sector bodies. The salaries of the members of the Executive Management Board of Scope are set by the Chief Executive within a pay structure agreed by the Board from time to time based on recommendations from the Human Resources Committee.

**11. Information regarding employees and trustees (continued)**

No Trustee, or person related or connected by business to them, has received any remuneration from Scope during the year.

During the year, the total expenses directly reimbursed to the Trustees amounted to £24,000 (2008: £43,000). This represents the reimbursement of costs incurred in the furtherance of their duties as Trustees, and was paid to 9 (2008:23) trustees.

Payments made to independent third parties for the provision of staff (see below) relates to costs incurred where established staff vacancies exist and cover is required pending recruitment, short term sickness cover and time limited projects.

## 11. Information regarding employees and trustees (continued)

	<b>Group 2009 Number</b>	<b>2008 Number</b>
<b>Average number of employees (full-time equivalent) during the year:</b>		
Residential Services for disabled adults	781	806
Domiciliary, Outreach and Day Services for disabled adults	131	151
Education Services – Schools	446	437
Education Services – Beaumont College	299	290
Inclusion and Transition Services for disabled children and young people	154	98
Information, Advice, Employment and Support services	222	235
Campaigning and capacity building	70	60
Governance	4	8
Retail staff	611	702
Voluntary fundraising staff	45	47
Support staff	114	110
	<hr/> 2,877	<hr/> 2,943
	<hr/> <b>£000</b>	<hr/> <b>£000</b>
<b>Staff costs comprise:</b>		
Wages and salaries	51,666	50,946
Social security costs	4,524	4,498
Pension costs	672	708
	<hr/> 56,862	<hr/> 56,152
Payments made to independent third parties for the provision of staff	<hr/> 3,570	<hr/> 3,700
<b>Total payroll and staff related costs</b>	<hr/> <b>60,432</b>	<hr/> <b>59,852</b>

## 12. Pension scheme

Scope operates a defined benefit pension scheme, the Scope Pension Scheme. The scheme funds are administered by trustees and are independent of Scope's finances. Contributions are paid to the scheme in accordance with the Schedule of Contributions agreed between the Trustee and Scope.

The full actuarial valuation as at 31st December 2008 was updated to the Scheme's accounting date by an independent qualified actuary in accordance with FRS17. As required by FRS17, the value of the defined benefit liabilities has been measured using the projected unit method.

The key FRS17 assumptions used for the Scheme are set out below, along with the fair value of assets, a breakdown of the assets into the main asset classes, the present value of the FRS17 liabilities and the surplus of assets above the FRS17 liabilities.

Under FRS17, the pension asset which can be recognised on the balance sheet is limited to the extent that it is recoverable by the employer through reduced contributions for future pensionable service and agreed refunds. Given that no refunds have been agreed and as no future service contributions will be made as the scheme is closed to future accrual, the maximum asset that may be recognised is nil. The impact of this limit on the balance sheet, the pension cost figures, and the actuarial gains and losses entry is also shown in the figures below.

The expected rate of return on assets over the financial year ending 31st March 2009 was 4.5% pa (2008: 4.5% pa). This rate is derived by taking the weighted average of the long term expected rate of return on each of the asset classes that the plan was invested in at 31st March 2008, less administration expenses.

## 12. Pension scheme (continued)

<b>Assumptions</b>	<b>31 March 2009</b>	<b>31 March 2008</b>	<b>31 March 2007</b>
Price inflation	3.3%	3.5%	3.0%pa
Discount rate	7.0%	6.4%	5.3%pa
Pension increases (LPI with 3% pa minimum)	3.6%	3.7%	3.5%pa
Salary growth	n/a	n/a	4.5%pa

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 65 would be expected to live for a further 23 years (2008: 22 years). Allowance is made for future improvements in life expectancy.

**Asset distribution and expected return:**

	<b>31/03/2009</b>		<b>31/03/2008</b>		<b>31/03/2007</b>	
	<b>Expected return pa %</b>	<b>Fair value £000</b>	<b>Expected Return pa %</b>	<b>Fair value £000</b>	<b>Expected return pa %</b>	<b>Fair value £000</b>
Equities	7.6	4,794	7.10	10,008	6.80	17,041
Gilts/Bonds	3.8	52,538	3.90	48,733	3.50	37,759
Cash	1.5	993	3.30	505	4.40	372
Insured pensions	7.0	972	6.40	1,136	5.30	1,256
<b>Total</b>		<u>59,297</u>		<u>60,382</u>		<u>56,428</u>

There was an actual loss of £2,053,000 on Scheme's assets over the year (2007/08: gain of £2,956,000).

## 12. Pension scheme (continued)

<b>Balance Sheet</b>	<b>At year end 31/03/2009 £000</b>	<b>At year end 31/03/2008 £000</b>
Total value of assets	59,297	60,382
FRS17 value of liabilities	<u>(48,489)</u>	<u>(54,455)</u>
Surplus	10,808	5,927
Adjustment to reflect asset limit	<u>(10,808)</u>	<u>(5,927)</u>
<b>Pension asset</b>	<u><u>-</u></u>	<u><u>-</u></u>

Under FRS17, the Scheme is represented on the balance sheet at 31st March 2009 as a nil asset (2007/08: nil asset).

Over the year to 31st March 2009 contributions by Scope of £2.85m (2007/08: £2.86m) were made to the Scheme, including augmentation contributions. Under the current agreement, future employer deficit contributions will be at £2.85m pa.

## 12. Pension scheme (continued)

The present value of the defined benefit obligation moved over the period as follows:

	<b>31/03/2009</b>	<b>31/03/2008</b>
	<b>£000</b>	<b>£000</b>
Opening defined benefit obligation	54,455	59,269
Interest cost	3,426	3,093
Past service cost	-	8
Actuarial (gain)/loss	(7,510)	(6,055)
Benefits paid	(1,882)	(1,860)
	<hr/>	<hr/>
<b>Closing defined benefit obligation</b>	<b>48,489</b>	<b>54,455</b>
	<hr/> <hr/>	<hr/> <hr/>

The fair value of the Scheme's assets moved over the period as follows:

	<b>31/03/2009</b>	<b>31/03/2008</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of the Scheme's assets	60,382	56,428
Expected return on Scheme assets	2,744	2,586
Actuarial (gain)/loss	(4,797)	370
Contributions by the employer	2,850	2,858
Benefits paid	(1,882)	(1,860)
	<hr/>	<hr/>
<b>Closing fair value of the Scheme's assets</b>	<b>59,297</b>	<b>60,382</b>
	<hr/> <hr/>	<hr/> <hr/>

## 12. Pension scheme (continued)

Note that the past service cost and actuarial gain figures stated here do not include the elements reflecting the limit on the balance sheet asset as set out below.

The following amounts have been included within charitable expenditure under FRS17:

	<b>At year end 31/03/2009 £000</b>	<b>At year end 31/03/2008 £000</b>
Past service cost	-	8
Unrecognised surplus extinguishes past service cost	-	(8)
	<hr/>	<hr/>
<b>Total operating charge</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

The following amounts have been included as "Resources expended" under FRS17:

	<b>At year end 31/03/2009 £000</b>	<b>At year end 31/03/2008 £000</b>
Expected return on pension scheme assets	2,744	2,586
Interest on post retirement liabilities	(3,426)	(3,093)
	<hr/>	<hr/>
<b>Net return to charge to finance income</b>	<b>(682)</b>	<b>(507)</b>
	<hr/> <hr/>	<hr/> <hr/>

## 12. Pension scheme (continued)

The following amounts have been recognised under the “actuarial gains and losses on pension scheme assets and liabilities” heading within the statement of financial activities:

	<b>At year end 31/03/2009 £000</b>	<b>At year end 31/03/2008 £000</b>
Actuarial (gains)/losses	(2,713)	(6,425)
(Gain) or loss due to movement in the balance sheet limitation	4,881	5,927
	<hr/>	<hr/>
<b>Actuarial (gain) / loss recognised</b>	<b>2,168</b>	<b>(498)</b>
	<hr/> <hr/>	<hr/> <hr/>

The cumulative losses as at 31 March 2009 are £12,083,000.

**12. Pension scheme** (continued)

The following amounts have been recognised under the “actuarial gains and losses on pension scheme assets/liabilities” heading within the statement of financial activities:

	<b>At year end 31/03/2009 £000</b>	<b>%</b>	<b>At year end 31/03/2008 £000</b>	<b>%</b>	<b>At year end 31/03/2007 £000</b>	<b>%</b>	<b>At year end 31/03/2006 £000</b>	<b>%</b>	<b>At year end 31/03/2005 £000</b>	<b>%</b>
Actual return less expected return on scheme assets	(4,797)	(8)	370	1	(2,237)	(4)	6,765	13	1,481	4
Experience gains arising on scheme’s liabilities	1,215	3	-	0	5,864	10	3	0	2,262	4
Gain or (loss) due to changes in assumptions underlying the present value of scheme liabilities	6,295	13	6,055	11	3,147	5	(9,550)	(14)	(5,593)	(10)
(Loss) due to balance sheet limitation	(4,881)		(5,927)		-		-		-	
<b>Actuarial gain or (loss)</b>	<b>(2,168)</b>		<b>498</b>	<b>1</b>	<b>6,774</b>	<b>11</b>	<b>(2,782)</b>	<b>(4)</b>	<b>(1,850)</b>	<b>(3)</b>

The above percentages show the components as a percentage of the end of the year value of the scheme’s assets or liabilities, as appropriate.

**12. Pension scheme** (continued)**The Defined Contribution Scheme**

Scope introduced a new stakeholder scheme on 1 October 2003 before the Scope Pension Scheme was closed to new members. The stakeholder scheme is therefore the main pension arrangement for new staff and the only option available to existing staff who did not join the Scope Pension Scheme before it was closed.

Members may contribute to the stakeholder scheme at whatever level they wish, subject to a minimum of £20 and Inland Revenue maximum contribution limits. Scope will match their contributions up to the limits shown in the table below which are based on length of membership of the scheme.

Employees who were part of the Scope Pension Scheme were offered the opportunity to join the stakeholder scheme at an enhanced rate with an employer contribution of 6%, regardless of personal contribution, provided the minimum of £20 monthly was made. The opportunity to join the stakeholder scheme at the enhanced rate ended on 1st August 2007.

<b>Completed years of pensionable service</b>	<b>Scope contribution</b>
0	2%
1	2%
2	4%
3 plus	6%

Scope's contribution to the Stakeholder pension scheme was £451,621 (2008: £453,902).

**Pensions Trust**

Scope participates in the Pensions Trust's Growth Plan in respect of certain members of staff. Scope's total contribution for the year in respect of this scheme was £8,320. The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension Plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date.

**12. Pension scheme (continued)**

From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The rules of the Growth Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

Scope paid contributions at the rate of 5% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.

**12. Pension scheme (continued)**

As at the balance sheet date there were three active members of the Plan employed by Scope. The Plan continues to be open to new entrants.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Growth Plan is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2008 have now been completed and will be formalised shortly. The valuation of the Scheme was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a past service funding level of 96%.

The financial assumptions underlying the valuations as at 30 September 2008 were as follows:

	% per annum
- Investment return pre retirement	7.6
- Investment return post retirement	
Active/Deferreds	5.1
Pensioner	5.6
- Bonuses on accrued benefits	0.0
- Rate of price inflation	3.2

**12. Pension scheme (continued)**

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in line with the “best estimate” assumptions. “Best estimate” means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These “best estimate” assumptions are 8.4% per annum pre retirement, 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post retirement.

**12. Pension scheme (continued)**

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation will be forwarded to the Pensions Regulator in due course.

The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

**12. Pension scheme (continued)**

Scope has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2009. As of this date the estimated employer debt for Scope was £2,363,775.

**Teachers Superannuation Scheme**

Scope also contributes to the Teachers Superannuation Scheme operated by the Department for Children, Families and Schools in respect of certain members of staff. Scope's total contribution for the year in respect of this scheme was £211,400 (2008: £212,711).

**Local Government Pension Scheme**

Scope also contributes to the Local Government Pension Scheme in respect of certain members of staff. Scope's total contribution for the year in respect of this scheme was £811 (2008: nil).

## 13. Tangible fixed assets for use by the group and charity

	Freehold & leasehold Property £000	Motor vehicles £000	Fixtures, equipment & computers £000	Charity total £000	Subsidiary fixtures, equipment & computers £000	Group total £000
<b>Cost</b>						
At 1 April 2008	37,087	4,686	10,712	52,485	10	52,495
Additions	1,014	300	761	2,075	-	2,075
Disposals	(838)	(530)	(616)	(1,984)	(2)	(1,986)
At 31 March 2009	<u>37,263</u>	<u>4,456</u>	<u>10,857</u>	<u>52,576</u>	<u>8</u>	<u>52,584</u>
<b>Accumulated depreciation</b>						
At 1 April 2008	19,663	3,720	7,503	30,886	10	30,896
Charge for the year	759	411	1,278	2,448	1	2,449
Released on disposals	(834)	(518)	(544)	(1,896)	(3)	(1,899)
At 31 March 2009	<u>19,588</u>	<u>3,613</u>	<u>8,237</u>	<u>31,438</u>	<u>8</u>	<u>31,446</u>
<b>Net book value</b>						
At 31 March 2009	<u>17,675</u>	<u>843</u>	<u>2,620</u>	<u>21,138</u>	<u>-</u>	<u>21,138</u>
At 31 March 2008	<u>17,424</u>	<u>966</u>	<u>3,209</u>	<u>21,599</u>	<u>-</u>	<u>21,599</u>

**13. Tangible fixed assets for use by the group and charity** (continued)

	<b>Group and Charity</b>	
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of freehold and leasehold properties</b>		
Freehold	16,308	16,128
Long leasehold (over 50 years)	969	908
Short leasehold	398	388
	<u>17,675</u>	<u>17,424</u>
<b>Non-depreciated assets</b>		
Land	171	171
	<u>171</u>	<u>171</u>

Scope has not adopted the policy of revaluing its properties and the carrying amount of its tangible fixed assets are all at cost.

Scope owns certain categories of asset which are purchased under finance lease agreements, the net book value in respect of these assets is £789,000 (2008: £960,000)

	<b>Group and Charity</b>	
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Motor vehicles	789	960
	<u>789</u>	<u>960</u>

**14. Investments held as fixed assets****Group and Charity**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b>Total investments:</b>		
Market value at 1 April 2008	8,789	9,616
Additions at cost	7,414	6,664
Disposals at opening book value	(7,691)	(6,048)
Movements in market value	(1,072)	(1,088)
Divestments	(3,297)	(355)
	<hr/>	<hr/>
<b>Market value at 31 March 2009</b>	<b>4,143</b>	<b>8,789</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Investments comprise the following:</b>		
<b>Investments listed on a UK stock exchange</b>		
Managed by Ignis Asset Management:		
Fixed interest	813	1,558
Equities	3,220	6,709
<b>Cash deposits held as part of investment portfolio:</b>		
Managed by Ignis Asset Management	110	522
	<hr/>	<hr/>
<b>Market value at 31 March 2009</b>	<b>4,143</b>	<b>8,789</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Being at market value:</b>		
Investment assets in the United Kingdom	4,143	8,789
	<hr/> <hr/>	<hr/> <hr/>
<b>Historical cost at 31 March 2009</b>	<b>5,072</b>	<b>8,143</b>
	<hr/> <hr/>	<hr/> <hr/>

Investments are re-valued at middle market value at the year end. Where market prices are not readily available, values are determined by the investment managers, Ignis Asset Management. There are three individual investments which exceed 5% of the total value of the portfolio: BP (6.91%), Royal Dutch Shell (6.06%), Vodafone Group (5.33%) (2008: none).

**15. Subsidiaries**

<b>Subsidiary undertaking</b>	<b>Country of registration and/or operation</b>	<b>Principal activities</b>	<b>Authorised and issued share capital</b>
Scope Central Trading Limited 100% direct holding	England & Wales	Purchase of general merchandise and sale thereof to Scope, and the distribution and sale of clothing and gifts and sales of greeting cards	£100
Mac Keith Press Common control	England & Wales	Publisher of a series of books covering issues relating to Cerebral Palsy and Childhood disability, as well as a scientific journal.	By Guarantee
Scope Investment and Development Company Limited 100% direct holding	England & Wales	The maintenance and management of Scope's properties. Ceased trading 31 July 2007 and struck off at the Register of Companies on 9 September 2008.	Struck off the Register of Companies.
Access Equality Limited 100% indirect holding	England & Wales	Dormant	£100 - £1 issued and fully paid
Friends of Spastics League Common control	England & Wales	Dormant	Charitable trust
Scope Pension Scheme Trustee Limited	England & Wales	Dormant	£100- £2 issued and fully paid
UK Federation for Conductive Education Limited Common control	England & Wales	Dormant	By Guarantee

**15. Subsidiaries** (continued)

The Spastics Society Common control	England & Wales	Dormant	By Guarantee
Scope Cerebral Palsy Limited Common control	England & Wales	Dormant	By Guarantee

Scope has taken advantage of the option conferred by Financial Reporting Standard No. 8 Related Party Disclosures that allows it not to disclose transactions with subsidiaries.

**16. Stocks**

	<b>Group</b>		<b>Charity</b>	
	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
Raw materials and consumable stock	10	86	6	86
Finished goods and goods for resale	227	286	125	126
	<u>237</u>	<u>372</u>	<u>131</u>	<u>212</u>

## Notes to the accounts

Year Ended 31 March 2009

### 17. Debtors

	Group		Charity	
	2009 £000	2008 £000	2009 £000	2008 £000
Trade debtors	2,771	8,032	2,597	7,816
Income tax recoverable	299	116	299	116
Staff loans	45	60	45	60
Prepayments	1,952	2,268	1,937	2,250
Amounts due from subsidiaries	-	-	333	504
Other debtors	1,271	1,051	1,265	1,044
	<u>6,338</u>	<u>11,527</u>	<u>6,476</u>	<u>11,790</u>

Trade debtors include amounts invoiced for fees at schools payable in advance relating to the year commencing 1 April 2009. The deferred income relating to these invoices amounts to £468,000 (2008: £4,487,000) and is included in creditors (see note 18). Staff loans include season ticket loans of £27,000 (2008: £ 30,000) which are repayable over a 12 month period, and travel imprests of £18,000 (2008: £31,000) repayable on leaving Scope or when the nature of employment changes.

## Notes to the accounts

Year Ended 31 March 2009

### 18. Creditors: amounts falling due within one year

	Group		Charity	
	2009 £000	2008 £000	2009 £000	2008 £000
Bank overdraft	19	-	-	-
Trade creditors	1,522	2,373	1,496	2,283
Amount due to subsidiaries	-	-	685	1,070
Obligations under finance leases	328	380	328	380
Taxation and social security	1,273	2,435	1,273	2,435
Deferred income (note 20)	662	4,973	624	4,949
Accruals	3,873	4,924	3,825	4,935
Other creditors	1,287	1,065	1,224	1,043
Property loan (note 22)	52	24	52	24
	<u>9,016</u>	<u>16,174</u>	<u>9,507</u>	<u>17,119</u>

### 19. Creditors: amounts falling due after more than one year

	Group & Charity	
	2009 £000	2008 £000
Obligations under finance leases	494	579
Property loan	437	254
	<u>931</u>	<u>833</u>

## Notes to the accounts

Year Ended 31 March 2009

### 20. Deferred income

	Balance 1 April 2008 £000	Released from previous year £000	Deferred in current year £000	Balance 31 March 2009 £000
<b>The Group:</b>				
Fees	4,487	(4,487)	468	468
Grants	3	(3)	-	-
Sales and other	81	(63)	27	45
Events fundraising	402	(399)	146	149
	<u>4,973</u>	<u>(4,952)</u>	<u>641</u>	<u>662</u>
<b>The Charity:</b>				
Fees	4,482	(4,482)	442	442
Grants	3	(3)	-	-
Sales and other	62	(57)	28	33
Events fundraising	402	(399)	146	149
	<u>4,949</u>	<u>(4,941)</u>	<u>616</u>	<u>624</u>

**21. Movements in provisions for liabilities and charges****Group and Charity:**

Provisions for dilapidations and onerous leases for offices vacated by Scope  
 Provisions for dilapidations for shops vacated by Scope.

Balance 1 April 2008 £000	Charged to income & expenditure £000	(Spent)/ Provided £000	Balance 31 March 2009 £000
714	10	(655)	69
273	162	(199)	236
<u>987</u>	<u>172</u>	<u>(854)</u>	<u>305</u>

**22. Borrowings**

Obligations under finance leases  
 Property loan

Due within one year  
 Due after more than one year

<b>Group</b>		<b>Charity</b>	
<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
822	959	822	959
489	278	489	278
<u>1,311</u>	<u>1,237</u>	<u>1,311</u>	<u>1,237</u>
380	405	380	405
931	832	931	832
<u>1,311</u>	<u>1,237</u>	<u>1,311</u>	<u>1,237</u>

**22. Borrowings (continued)****Analysis of repayments**

	<b>Group</b>		<b>Charity</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Finance lease obligations:				
Within one year or on demand	328	381	328	381
Between one and five years	494	578	494	578
Property loan:				
Within one year	52	24	52	24
Between six and ten years	437	254	437	254
	<u>1,311</u>	<u>1,237</u>	<u>1,311</u>	<u>1,237</u>

Finance lease obligations are secured against those motor vehicles purchased under each finance lease.

The property loans are mortgages on a bungalow for Rutland House School, and on a house at Hennel Lane.

The loans represent 60% of the cost of the 2 properties.

Scope has a working capital overdraft facility of £2.25 million, secured against the Head Office property at Market Road, London.

## 23. Movements in funds

	Balance 1 April 2008 £000	Incoming resources £000	Expenditure gains & losses £000	Transfers £000	Balance 31 March 2009 £000
<b>Charity:</b>					
<b>General fund</b>	17,945	92,198	(95,017)	1,714	16,840
<b>Designated fund:</b>					
Capital development fund	965	-	-	(965)	-
Service transformation fund	138	-	-	(138)	-
Investment reserve	646	-	-	(646)	-
Pension reserve	-	-	-	-	-
<b>Total unrestricted funds and pension reserve</b>	<u>19,694</u>	<u>92,198</u>	<u>(95,017)</u>	<u>(35)</u>	<u>16,840</u>
<b>Restricted funds:</b>					
Total restricted funds	4,720	4,459	(4,913)	35	4,301
Permanent endowment	10	-	-	-	10
<b>Total funds and pension reserve</b>	<u><u>24,424</u></u>	<u><u>96,657</u></u>	<u><u>(99,930)</u></u>	<u><u>-</u></u>	<u><u>21,151</u></u>

## 23. Movements in funds (continued)

	Balance 1 April 2008 £000	Incoming resources £000	Expenditure gains & losses £000	Transfers £000	Balance 31 March 2009 £000
<b>The Group:</b>					
<b>General fund</b>	19,033	93,942	(97,154)	1,714	17,535
<b>Designated fund:</b>					
Capital development fund	965	-	-	(965)	-
Service transformation fund	138	-	-	(138)	-
Investment reserve	646	-	-	(646)	-
<b>Total unrestricted funds</b>	<u>20,782</u>	<u>93,942</u>	<u>(97,154)</u>	<u>(35)</u>	<u>17,535</u>
<b>Restricted funds:</b>					
Total restricted funds	4,720	4,459	(4,913)	35	4,301
Permanent endowment	10	-	-	-	10
<b>Total funds and pension reserve</b>	<u><u>25,512</u></u>	<u><u>98,401</u></u>	<u><u>(102,067)</u></u>	<u><u>-</u></u>	<u><u>21,846</u></u>

**Designated funds**

The opening balances on the Capital Development Fund (set up in 2001/02) and Service Transformation Fund (set up in 2005/06) have been transferred to the general fund in 2008/09 as these unrestricted funds are no longer earmarked for these purposes.

Specific restricted funds are further summarised below in particular groupings, this table shows the gross value of the funds and the amount available to spend after allowing for tangible fixed assets.

## 23. Movements in funds (continued)

	Balance 1 April 2008	Income	Expenditure	Transfers	Balance 31 March 2009	Tangible fixed assets	Funds available to spend 31 March 2009
	£000	£000	£000	£000	£000	£000	£000
<b>Big Lottery Fund:</b>							
Bridgend Inclusion Project	8	64	(72)	-	-	-	-
Chester ICT Project	30	-	(28)	3	5	5	-
In the Picture	63	27	(73)	-	17	11	6
Routes to Volunteering	61	80	(105)	-	36	2	34
North West Participation Project	14	44	(50)	-	8	-	8
Parent 2 Parent Bournemouth	7	2	(9)	-	-	-	-
Face to Face Bridgend	-	49	(47)	16	18	-	18
Voices through Advocacy	-	131	(162)	36	5	5	-
West Norfolk School for Parents	13	11	(26)	1	0	-	-
BASIS	10	-	(10)	-	-	-	-
Disability Lib	-	1,407	(969)	-	438	8	430
<b>Total projects funded by The Big Lottery Fund</b>	206	1,815	(1,551)	56	528	31	496
<b>Heritage Lottery Fund:</b>							
Oral History project	21	-	(11)	-	10	-	10
<b>Community Fund:</b>							
AWAKE	35	36	(56)	-	16	1	15
The Maze	54	68	(79)	-	43	-	43
The Way Forward	48	66	(90)	-	24	1	23
Wirral Family Friends	9	4	(34)	21	-	-	-
<b>Total projects funded by Community Fund</b>	147	174	(259)	21	83	2	81

## 23. Movement in funds (continued)

	Balance 1 April 2008 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 March 2009 £000	Tangible fixed assets £000	Funds available to spend 31 March 2009 £000
<b>DCFS</b>							
Early Years – Children and Young Peoples' Grant	-	100	(99)	-	1	1	-
Early Years – Parenting Fund	46	306	(309)	9	52	-	52
Early Years – Strengthening Families Grant	13	2	(14)	-	1	1	-
<b>Total projects funded by DCFS</b>	<u>59</u>	<u>408</u>	<u>(422)</u>	<u>9</u>	<u>54</u>	<u>2</u>	<u>52</u>
<b>Lloyds TSB Foundation for England &amp; Wales:</b>							
Calderdale Communication Project	1	-	(1)	-	-	-	-
Voices through Advocacy	7	29	(36)	-	-	-	-
<b>Total projects Lloyds TSB</b>	<u>8</u>	<u>29</u>	<u>(37)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Rhondda Cynon Taf Community Care Division:</b>							
Community Choices	21	54	(44)	-	31	1	30
<b>Department of Health – Section 64:</b>							
Health Volunteering	25	55	(68)	-	12	-	12
Setting the Standards	16	37	(20)	(15)	18	-	18
<b>Total projects funded by DoH Section 64</b>	<u>41</u>	<u>92</u>	<u>(88)</u>	<u>(15)</u>	<u>30</u>	<u>-</u>	<u>30</u>

**24. Commitments****Annual cost of operating lease commitments****Group****Leases which expire:**

Within one year

Within two to five years

After five years

**Land and Buildings****Other****2009**  
**£000****2008**  
**£000****2009**  
**£000****2008**  
**£000**

1,493

1,590

5

69

3,149

2,658

23

16

1,575

2,195

1

15

6,2176,44329102**Capital Commitments**

At 31 March 2009 there were capital commitments totalling £166,000 (2008: £ 731,000) which was for freehold property.

**25. Contingent liabilities****Guarantees**

Scope has acted as guarantor for 10 shop leases run by Capability Scotland, a charity providing services to disabled children and adults in Scotland. These guarantees were entered into during the period when Scope managed these shops on behalf of Capability Scotland. In the event of Capability Scotland defaulting on the payment under any of these leases Scope would be fully liable. The maximum liability in respect of the rental of these leases if terminated at 31 March 2009 would be approximately £1,476,000 (2008: £1,654,000). This does not include any potential liability for dilapidations.

**Pensions Trust**

Scope has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2006. As of this date the estimated employer debt for Scope was £2,363,775.

No provisions have been made in respect of these contingent liabilities in these financial statements.

**26. Taxation**

As a registered Charity, Scope is exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988. The group is not liable for taxation because of the policy of the trading subsidiary companies of gifting all taxable profits to Scope. During the year ended 31 March 2009 no charge to tax has been incurred.

**27. Members**

The charity is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member, of which there are 865 (2008: 802), is liable to contribute £5 in the event of the company being wound up.

## 28. Analysis of assets and liabilities between funds

	Restricted funds £000	General funds £000	Total 2009 £000
<b>The Group:</b>			
<b>Fixed assets</b>			
Property	1,073	16,602	17,675
Motor vehicles	111	732	843
Furniture and equipment	341	2,279	2,620
Investments	2,824	1,319	4,143
	<hr/>	<hr/>	<hr/>
<b>Total fixed assets</b>	4,349	20,932	25,281
<b>Current assets</b>			
Stocks	-	237	237
Debtors	-	6,338	6,338
Cash at bank and in hand	-	242	242
Current liabilities	(22)	(8,994)	(9,016)
	<hr/>	<hr/>	<hr/>
Net current liabilities	(22)	(2,177)	(2,199)
Long term liabilities	(16)	(915)	(931)
Provisions for liabilities and charges	-	(305)	(305)
	<hr/>	<hr/>	<hr/>
<b>Net assets</b>	<u>4,311</u>	<u>17,535</u>	<u>21,846</u>

## 28. Analysis of assets and liabilities between funds (continued)

	<b>Restricted funds £000</b>	<b>General funds £000</b>	<b>Total 2009 £000</b>
<b>The Charity</b>			
<b>Fixed assets</b>			
Property	1,073	16,602	17,675
Motor vehicles	111	732	843
Furniture and equipment	341	2,279	2,620
Investments	2,824	1,319	4,143
	<hr/>	<hr/>	<hr/>
<b>Total fixed assets</b>	4,349	20,932	25,281
<b>Current assets</b>			
Stocks	-	131	131
Debtors	-	6,476	6,476
Cash at bank and in hand	-	6	6
Current liabilities	(22)	(9,485)	(9,507)
	<hr/>	<hr/>	<hr/>
Net current liabilities	(22)	(2,872)	(2,894)
Long-term liabilities	(16)	(915)	(931)
Provisions for liabilities and charges	-	(305)	(305)
	<hr/>	<hr/>	<hr/>
<b>Net assets</b>	<u>4,311</u>	<u>16,840</u>	<u>21,151</u>

## 29. Free reserves

	<b>Group</b>		
	<b>2009</b>	<b>2008</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net assets excluding pension liability</b>		21,846	25,512
<b>Less:</b>			
Restricted funds	(4,311)	(4,730)	
Designated funds	-	(1,103)	
	<u>          </u>	<u>          </u>	
		(4,311)	(5,833)
<b>Less amount represented by tangible fixed assets</b>	(19,847)	(21,599)	
<b>Add back:</b>			
Net book value of tangible fixed assets held on finance leases	789	920	
Restricted fund fixed assets	1,523	1,414	
	<u>          </u>	<u>          </u>	
		(17,535)	(19,265)
<b>Free reserves</b>		<u>          </u>	<u>          </u>
		-	414

## **Thank you to all of our supporters**

The Philanthropy team seeks to encourage social investors to support Scope either privately or through their trusts and companies, by offering opportunities for donors to give in an engaging and directed way. We secured the largest single gift in 2008/9 of £93,000 towards Scope Response enabling us to build on our innovative Face2Face parental mentoring service, as well as supporting over 2,000 people a month to use our call service.

### **The Philanthropy team would like to thank:**

ShareGift, Star Energy Group plc, The John Coates Charitable Trust

### **The Trust team would like to thank**

Alice Ellen Cooper-Dean Charitable Foundation, Eveson Charitable Trust, The Sylvia Adams Charitable Trust, The City Bridge Trust, Lloyds TSB Foundation, Ofenheim Charitable Trust

### **The Statutory and EU team would like to thank**

Big Lottery Fund, Young People's Fund, Parenting Fund, Department for Children, Schools and Families, Department of Health, Welsh Assembly Government, Office for the Third Sector, Welsh European Funding Office, Wales Council for Voluntary Action

### **The Corporate team would like to thank**

Channel 4: Big Brother 9, British Gas 'here to HELP', BT Better World, BGC International L.P., Capital One Bank (Europe) plc, Catch 22, MagicTaxi.com, Redeem plc, Yule Catto and Co plc

## Legal and administrative details

Scope is a company limited by guarantee (Number 520866) and a registered charity (Number 208231) and was established on 20 June 1953. These accounts will be filed with the Registrar of Companies following the AGM on 24 October 2009.

**Auditors:** KPMG LLP, 1 Forest Gate , Brighton Road , Crawley , West Sussex RH11 9PT

**Solicitors:** Dickinson Dees, Prince's Wharf, Teesdale, Stockton on Tees, TS17 6QY

**Bankers:** National Westminster Bank plc, City of London Office, Corporate Business, Centre, P O Box12263, 1 Princes Street, London EC2R 8PH

**Investment Advisers:** Ignis Asset Management, 50 Bothwell Street, Glasgow G2 6HR

**Company Secretary:** Victoria Burnett

**Registered Office:** 6 Market Road, London N7 9PW

### Scope's Directors and Trustees

Alice Maynard (Chair)

Ian Black (Honorary Treasurer)

John Corneille (Vice-Chair)

Rosemary Bolinger

Michael Crossman (appointed 25 October 2008)

Christopher Digby Bell (resigned 25 October 2008)

Robert Eames

Jill Gramann

David Hart

Rebecca Hughes

Kate James (appointed 25 October 2008)

John Lelliott (resigned 30 March 2009)

Jean Marshall

Anne Pridmore (resigned 25 October 2008)

Geeta Nanda

Grethe Ridgway

John Yeats

# Scope's vital work is only possible with the help of our dedicated supporters

To make a donation to help Scope's work, please visit [www.scope.org.uk/donations](http://www.scope.org.uk/donations)

For more information and advice on cerebral palsy, disability issues and Scope's services, visit Scope Response at [www.scope.org.uk/response](http://www.scope.org.uk/response)

Information in alternative formats is available on request from Scope Response, please call 0808 800 3333 or email [response@scope.org.uk](mailto:response@scope.org.uk)



Scope is a registered charity no.208231 and is a company limited by guarantee no:520866 (England). Registered office: 6 Market Road, London N7 9PW

Time to get equal

scope

About cerebral palsy.  
For disabled people achieving equality.