

**TREFOIL HOUSE**

**Company Registered in Scotland No. SC231196  
Charity number SC013744**

**Annual Report and Financial Statements  
For the year ended to 31 December 2008**

**TREFOIL HOUSE**  
**Annual Report and Financial Statements**  
**For the year ended 31 December 2008**

<b>Contents</b>	<b>Pages</b>
Executive Committee's Report	1-6
Independent Auditor's Report	7-8
Statement of Financial Activities (including Income and Expenditure Account)	9
Balance Sheet	10
Notes to the Financial Statements	11-17

**Executive Committee**

(Chairman)  
Peter E Nussey  
Mrs Anne Sked  
Eddie Frizzell  
Duncan McCreath  
Michael Gilbert  
Margaret Dawson

**President**

Lord Selkirk

**Secretary**

Gillespie MacAndrew Secretaries Limited

**Chief Executive**

David McArthur

**Registered Office**

5 Atholl Crescent  
Edinburgh  
EH3 8EJ

**Independent Auditor**

Tenon Audit Limited  
Registered Auditor  
160 Dundee Street  
Edinburgh  
EH11 1DQ

**Solicitors**

Gillespie Macandrew WS  
31 Melville Street  
Edinburgh  
EH3 7JQ

**Bankers**

Bank of Scotland  
1 Castle Terrace  
Edinburgh  
EH1 2DP

**Charity No. SC013744**

## **TREFOIL HOUSE**

### **Executive Committee's Report**

#### **For the year ended 31 December 2008**

The Executive Committee presents its report and audited financial statements for the year ended 31 December 2008.

The legal and administration information set out on the contents page forms part of this report.

The functions of Company Secretary and Registered Office are provided by Gillespie Macandrew WS of 5 Atholl Crescent, Edinburgh, EH3 8EJ.

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

##### **Governing Document**

Trefoil House is a Company Limited by Guarantee and is registered under the Companies Act 1985. The Governing Documents are the Memorandum and Articles of Association. The company was incorporated on 7 May 2002 and was recognised as a charity by the Inland Revenue with effect from the same date.

Every member of the Company undertakes to contribute such amount as may be required, not exceeding £1, in the event of the Company winding up.

##### **Organisation**

The members of the Company form the Trefoil Council which is composed of no less than fifteen members and no more than forty.

The role of the members is to maintain an overview of the governance of the Company, nominate and vote the appointment of trustees to the Council and Executive Committee and to act in the best interests of the Company. The Trefoil Council meets every six months.

The business of the Company is managed by the Executive Committee which is composed of no less than five trustees and no more than ten who are also by default members of the Trefoil Council. The Executive Committee is responsible for the strategic management of the Company and overseeing the appropriate implementation of that strategy by the Chief Executive and General Manager. The members of the Executive Committee are directors of the Company and are trustees for the purpose of charity law.

##### **Appointment of members and the Executive Committee**

The recruitment process for individuals to serve as members or trustees is initiated when they are nominated for appointment by members of the Trefoil Council. The nomination of individuals to serve as members or trustees is initiated by members who propose membership for an individual or membership and appointment as a trustee to the Executive Committee.

Prospective members submit a CV stating their willingness to serve the Company. The candidates must demonstrate that they are bringing added value to the Trefoil Council and/or Executive Committee by providing specific expertise and an appropriate time commitment. The candidate must also conform to the Eligibility Requirements for Directors under the terms of the Companies Act 1985.

##### **Induction and training of trustees and the Executive Committee**

Trefoil House operates a structured induction and ongoing educational process for all members. The aim of the induction process is to ensure that members understand fully their commitment, obligations, liabilities and accountabilities. The required level of understanding is achieved by issuing the individual with a comprehensive information pack, allowing them time for reading and following this up with an induction period of no less than six hours with the Chief Executive. In addition to this they will also spend time with the Chairman and other members.

Members of the Executive Committee serve for an initial period of three years following which they may be re elected for a further tenure of 3 years. Only one additional term may be served and no member may hold appointment for more than 6 years.

## TREFOIL HOUSE

### Executive Committee's Report (continued)

For the year ended 31 December 2008

#### Management

The Executive Committee meets quarterly with the Chief Executive and General Manager in attendance. The meeting reviews the activities of the previous quarter, addresses current issues and amends or confirms the strategic way ahead. The Chief Executive is responsible for implementing the agreed strategy within delegated authority approved by the Executive Committee. The delegated authority will include the range of financial expenditure, the ability to commit to contracts and the method of feedback to the Executive Committee or a delegated sub committee.

The Chief Executive ensures compliance with the Trefoil Mission and provides the leadership focus throughout the Strategic and Operational areas of the Company. Specifically his role is to develop and implement strategies which will support the achievement of the Mission. In addition he monitors and controls the financial activities of the Company.

The General Manager deals with all day to day management issues including administration of the Holiday Grant Fund, financial accounting, logistical support and co ordination of the fundraising effort.

#### Connected bodies

Trefoil House has no connected bodies.

#### Risk management

The Executive Committee is responsible for the identification and management of risk. With the assistance of the management, a formal review of the risks facing the charity takes place bi annually. The development of a strategic plan is key to safeguarding the future of the charity and securing adequate funding and a considerable amount of time and effort is being directed towards this. In addition, the condition of the buildings comprising Trefoil estate is under constant review and where necessary, remedial action taken. Internal control risks are minimised by the implementation of formal written policies and guidance, detailed terms of reference for all committees and procedures for authorisation of all transactions and projects. The chief area of risk resides with the security of the Trefoil estate and buildings during the period when they are for sale and are unoccupied. A security plan is in place and has been implemented.

#### Objectives and Activities

The Charitable Objects as set out in The Memorandum of Association continue to be –

“To relieve the distress and sickness of physically handicapped children and adults by the provision of respite accommodation and recreational and educational facilities and generally by aiding, assisting and promoting the benefit of all such persons in any manner which is charitable”.

During 2008 Trefoil completed a review of these objects in conjunction with the Members and OSCR. OSCR consented to the change on 26 November 2008 and they will be implemented at the beginning of the next financial year. In addition it is the intention of the Trefoil Executive Committee to adopt the trading name of 'Trefoil' for trading purposes, both OSCR and Companies House will be notified when this change has been implemented early in the new financial year. The agreed amended objects are:

“To aid, assist and promote, to their advantage, the interests of children and young people (the expression “children and young people meaning persons under the age of 25 years at the time they first apply to the Company for assistance) with special needs, including but not limited to physical disability, caring obligations, other disadvantages or learning and psycho-social needs (or a combination thereof) and to foster their independence, confidence and assertiveness”.

The change is also reflected in the Trefoil Mission Statement:

***Trefoil works to enhance the quality of life of Children and Young People in need of Care, Support or Development.***

## TREFOIL HOUSE

### Executive Committee's Report (continued)

For the year ended 31 December 2008

A key principle underpinning these objects is the relationship with the statutory authorities and specifically the avoidance by Trefoil of any direct or indirect subsidy in favour of Statutory Authorities, or the provision of services which are a statutory obligation. Trefoil will continue to facilitate the objects by expanding the strategy employed last year of developing a series of collaborative initiatives. These initiatives will build on previous successes of last year's joint working with other charities.

#### Governance

During the year Trefoil said farewell to Tom Murray who had held the appointment of Chairman and welcomed his successor Mr Peter Nussey. The Charity recruited two new Members of the Executive Committee; Mr Michael Gilbert and Ms Margaret Dawson. Both were presented successfully for election at the 2008 AGM.

Engagement with the Members has been more extensive this year given the requirement to review the Articles and Memorandum. This has provided an opportunity to reinforce their role and to formalize the engagement of the Executive Committee with them.

#### Current Strategy

The withdrawal of the City of Edinburgh Council (CEC) from their planned lease arrangement with Trefoil and Leonard Cheshire in late 2007 created a number of challenges for Trefoil. In essence the entire underpinning strategy of the Trefoil business plan was undermined to the point where it became inoperable. The outcome was that in early 2008 Trefoil had to completely revise its business plan. Although this event was very disruptive it also provided focus for the Trefoil Executive Committee and stimulated the Members to review future strategy on a more radical basis. The output from this process was three-fold:

- 1 The purpose of the Charity and the structure of the client group were reviewed leading to the re-write of the Articles and Memorandum of Association.
- 2 The decision was taken to actively seek a series of collaborative ventures with other well-established charities both at home and abroad. The Trefoil Grant system for holidays and personal development will also continue.
- 3 The Executive Committee established that neither the House nor the estate supported the purpose of the charity by the provision of a revenue stream. Indeed the House, now vacant due to the withdrawal of the City of Edinburgh Council, would attract security and maintenance costs. Therefore they directed that the House and estate should be sold.

The funds realised from the sale would be reinvested in order to provide a mixture of income and capital growth. The approach taken regarding the policy of collaboration was to spread the risk of these collaborative ventures between major and minor charities that operated in a mix of foreign and domestic projects.

The outcomes from this balanced risk approach were projects which were complementary to and in support of our aims and objectives:

- 1 PUSH Scotland.
- 2 Seamab School Scotland.
- 3 The World wide Association of Girl Guides and Girl Scouts (WAGGGS).
- 4 YMCA Scotland.
- 5 Chernobyl Children.
- 6 Royal Hospital for Sick Children Edinburgh (RHSC).

An account of the Trefoil involvement with each of these charities will be provided later in this document. It must be appreciated however engagement with these organisations is still in the early stages, given that the strategy was not implemented until after the commencement of the financial year.

#### Collaborative Projects

There are four underpinning principles governing the collaboration with other charities:

- 1 The target client group must confirm to the Trefoil objects.
- 2 Trefoil will be involved in the statement of requirement for the project and the system of delivery.
- 3 The project will not replace or subsidise an element of provision which is the obligation of the statutory authorities.
- 4 The involvement and obligation of all parties will be clearly articulated in a formal contract or service level agreement.

## TREFOIL HOUSE

### Executive Committee's Report (continued)

#### For the year ended 31 December 2008

PUSH Scotland – The sum of £3,772 has been provided to support 8 Young People who have special needs and disabilities. Future expenditure will be in the region of £20,000 phased over 3 years.

Seamab School Scotland – Following discussion and project scoping with Seamab it was decided that as a pilot project that Trefoil would provide funding of £6,500 to support the provision of extra facilities during the Christmas holiday period. The purpose was to enhance the recreational opportunities for vulnerable children who were resident at the school during that period. It also allowed Trefoil and Seamab to being the development of a sustainable terms of reference. No further indication of expenditure has been established.

WAGGGS – Trefoil and WAGGGS have discussed and scoped a project in Venezuela and Nicaragua based upon the requirement for AIDS/HIV education/ Child Trafficking Awareness and Wealth Generation in rural communities. The statement of requirement was established and the method of delivery agreed using the local WAGGS infrastructure. The reporting structure will commence in March 2009 with the first tranche of funding (£15,000) being required in February 2009. The ongoing schedule will be spread over the year, with the total sum being £30,000. The reporting schedule and reviews will mirror the funding cycle with the main review taking place at the mid-year point when a decision on future funding will take place.

YMCA Scotland – The Green Bridge project is being supported this year to the value of £1,500. The outcome of the previous projects have been well documented and this year will build upon their success in empowering young people in the Pollock Community who have been victims of violence either at home or in their community. The funding for next year will be carefully considered given the uncertainty of core funding from YMCA HQ.

Chernobyl Children – The aim of this pilot project was to scope the potential for an involvement in providing higher education for young people who have been affected by the Chernobyl Nuclear Accident, within the Belarus region. The pilot project involves Trefoil working with Chernobyl Children to assist with funding to support a young man from Chernobyl to attend University in Belarus. The expenditure to date is £1,500.

Royal Hospital for Sick Children Edinburgh (RHSC) – Trefoil is in discussion with RHSC for the provision of educational and IT equipment to support the in-hospital education for Children in long-term and short-term care. The statutory obligation is only for the provision of staff and not facilities of this nature therefore Trefoil is willing to support this effort. The project is at an early scoping stage with the Statement of Requirement being clarified. The project should not incur and significant expenditure before 2011 and the estimated final sum will be in the region of £175,000 to be complete by 2012.

#### **Achievements and performance**

**Grants and Applications** – In 2007 a target of £35,000 was set for the provision of grants to assist individuals of all ages with a wide spectrum of special needs to take a holiday. In the twelve months to 31 December 2008, grants amounting to £23,370 were made to a total of 40 applicants.

Applications were received from all over the UK and holidays for which Trefoil has provided finance include adventure breaks at the Calvert Trust, caravan holidays in Fife, family trips abroad to Disneyland Paris and Florida and individual vacations to Spain and Turkey.

**Fundraising** – The two fundraising events held over the year, the Trefoil House Golf Day and the Trefoil House Christmas Sale, were both again successful generating net income in excess of £13,000 and £4,000 respectively. The reduction in income from the Christmas Sale which was experienced in 2007 was avoided by reducing the scale of the event and moving it to a City Centre location. This reduced the operating costs and overheads significantly. The turnaround in the operation of the event was wholly attributed to the hard work and diligence of one of our key supporting Members.

**Estate** – The sale of the House and Estate continues to excite a degree of concern in the current economic climate. A healthy interest was shown initially, however as the economic downturn has intensified the offers have gradually been withdrawn. The marketing effort persists and the Executive Committee has agreed to consider the alternative strategy of leasing until the market conditions are more favourable. However the maintenance and security of the House and the Estate represents a steady drain on our resources which should be dedicated to the prosecution of the Trefoil Mission. Every attempt is being made to minimise this expenditure however without at least the basic maintenance the fabric of the House will deteriorate with a resulting reduction in sale value. The Stable block was sold on 18 January 2008, realising net proceeds of £646,119, and resulting in a gain on disposal of £624,237.

## TREFOIL HOUSE

### Executive Committee's Report (continued)

For the year ended 31 December 2008

#### Financial Review

The current activities of the charity are restricted to the provision of grants which are funded through the Holiday Grant Fund. The only sources of income during the year were derived from legacies (£2,000), fundraising (£17,094) and interest on investments (£57,377). This decrease in income combined with increased property repairs and maintenance expenditure and significant legal and professional fees relating to the property has resulted in a substantial operating deficit.

The net incoming resources for the year, including legacies and gain on sale of property but before investment transactions, amounted to £456,889 (2007: £114). After investment transactions and the revaluation of investments, the net increase in funds amounted to £377,507 (2007: decrease in funds £15,787).

During 2008 following consultation with the Members; Trefoil approached OSCR in order to request their advice on the deregulation of the Restricted Funds held within the Children's Fund. OSCR supported the deregulation of these funds in order to support the aim of amalgamating them with the main funds for ease of management and flexibility.

The economic downturn we feel will be reflected in our fundraising activities and it is anticipated that the future returns on these activities will be reduced compared to this year.

#### Investment Policy

The investment portfolio is monitored regularly in conjunction with advice from the investment advisers with the aim of maximising the overall rate of return. Gross income yield achieved during the year was 12% which was considered satisfactory in view of the Market Conditions. The charity has now established an Investments and Finance Committee which meets quarterly. The express task of the Committee is the review of Financial performance for reporting. Latterly, in this financial year, Trefoil outsourced the Financial Administration of the Charity. The aim of this process was to realise financial savings in terms of the administrative costs, efficiency costs and to improve the Financial reporting functions.

Surplus funds generated over the last three years are currently held on deposit.

**HR and Salary Committee.** To ensure compliance with current employment legislation and employee conditions a Committee has been established, which meets as required and is chaired by the Chairman of the Charity, supported by 3 members of the Executive Committee.

#### Reserves

The policy of the Executive Committee is to continue to build up the free reserves to enable Trefoil House to fulfil its objectives and ensure financial stability. The ability to continue to build up the free reserves will be impeded by the requirement to maintain the House and the Estate together with the reduced return on investments and fundraising activities.

#### Training

In order to enable the ongoing education of the trustees, Trefoil will support the attendance of the trustees at a variety of training events. These will cover such relevant areas as, strategy; risk assessment and management and Corporate Governance. The training will be provided by SCVO, an organisation with specific expertise in the Charity Sector and Gillespie Macandrew Solicitors who intend to develop their Charity education/training capability. In addition Trefoil House will facilitate their own 'Away Day' directed towards future strategy.

## TREFOIL HOUSE

### Executive Committee's Report (continued)

For the year ended 31 December 2008

#### Statement of responsibilities of the Executive Committee

Company law requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state affairs of the charitable company as at the balance sheet date and its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Executive Committee should follow best practice and

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent,

state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its activities

The Executive Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

#### Disclosure of information to auditor

As far as each of the Executive Committee at the time the report approved is aware

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

#### Auditor

Tenon Audit Limited was appointed as auditor during the year, and their reappointment falls to be confirmed at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part IV of the Companies Act 1985 relating to small entities.

Approved by the Executive Committee on

and signed on its behalf by

Peter Nussey      Chairman

## TREFOIL HOUSE

### **Independent Auditor's Report to the members and the Executive Committee**

#### **For the year ended 31 December 2008**

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of Trefoil House for the year ended 31 December 2008 as set out on pages 8 to 17. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made exclusively to the members, as a body, in accordance with Section 235 of the Companies Act 1985 and to the Executive Committee, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the Executive Committee 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 company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Executive Committee and auditor**

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Executive Committee's Report is consistent with the financial statements, if the company has not kept proper accounting records, if information specified by law regarding directors' remuneration and transactions with the company is not disclosed, or if we have not received all the information and explanations we require for our audit.

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

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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.

**TREFOIL HOUSE**

**Independent Auditor's Report to the members and the Executive Committee**

**For the year ended 31 December 2008**

**Opinion**

In our opinion the financial statements

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and
- the information provided in the Executive Committee's Report is consistent with the financial statements.

**Tenon Audit Limited  
Registered Auditor  
160 Dundee Street  
Edinburgh  
EH11 1DQ**

\_\_\_\_\_ 2009

## TREFOIL HOUSE

### Statement of Financial Activities (incorporating Income and Expenditure Account)

For the year ended 31 December 2008

	Notes	Unrestricted Funds	Restricted Funds	2008 Total Funds	2007 Total Funds
		£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income					
Donations	3	5,981	-	5,981	11,237
Legacies		2,000	-	2,000	12,978
Activities for generating funds					
Fundraising events		17,094	-	17,094	20,483
Rental income		500	-	500	113,108
Investment income and interest	2	57,377	-	57,377	40,945
Other income		-	-	-	80,000
Other incoming resources – gain on sale of heritable property		<u>624,237</u>	<u>-</u>	<u>624,237</u>	<u>-</u>
<b>Total incoming resources</b>		<u>707,189</u>	<u>-</u>	<u>707,189</u>	<u>278,751</u>
<b>Resources expended</b>					
Cost of generating funds					
Investment management fee		-	-	-	250
Fundraising and publicity	4	5,188	-	5,188	13,387
Charitable activities	5	197,581	-	197,581	225,175
Governance costs	6	<u>47,261</u>	<u>-</u>	<u>47,261</u>	<u>39,825</u>
<b>Total resources expended</b>		<u>250,300</u>	<u>-</u>	<u>250,300</u>	<u>278,637</u>
<b>Net incoming resources before transfers</b>		<u>456,889</u>	<u>-</u>	<u>456,889</u>	<u>114</u>
Gross transfers between funds		<u>89,555</u>	<u>(89,555)</u>	<u>-</u>	<u>-</u>
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>		546,444	(89,555)	456,889	114
Realised gains / (losses) on investment assets		7,305	-	7,305	(16)
Unrealised (losses) on investments assets		<u>(86,687)</u>	<u>-</u>	<u>(86,687)</u>	<u>(15,885)</u>
Net movements in funds		<u>467,062</u>	<u>(89,555)</u>	<u>377,507</u>	<u>(15,787)</u>
Total funds brought forward		<u>1,384,570</u>	<u>89,555</u>	<u>1,474,125</u>	<u>1,489,912</u>
Total funds carried forward		<u>1,851,632</u>	<u>-</u>	<u>1,851,632</u>	<u>1,474,125</u>

All results of the company refer to continuing activities. There is no difference between the net incoming resources for the year and its historical cost equivalent. The notes on pages 10 to 17 form part of these financial statements.

**TREFOIL HOUSE**

**Balance Sheet**

**As at 31 December 2008**

	Notes	£	2008 £	£	2007 £
<b>Fixed assets</b>					
Tangible assets	12		534,449		553,605
Investments	13		<u>160,413</u>		<u>239,795</u>
			694,862		793,400
<b>Current assets</b>					
Debtors	14	39,170		102,942	
Cash at bank and in hand			<u>1,137,366</u>	<u>612,449</u>	
			<u>1,176,536</u>	<u>715,391</u>	
<b>Creditors: amounts falling due within one year</b>					
Creditors	15		<u>19,766</u>	<u>34,666</u>	
<b>Net current assets</b>			<u>1,156,770</u>		<u>680,725</u>
<b>Net assets</b>			<u>1,851,632</u>		<u>1,474,125</u>
<b>Unrestricted funds</b>	17		1,851,632		1,384,570
<b>Restricted funds</b>	17		<u>-</u>		<u>89,555</u>
			<u>1,851,632</u>		<u>1,474,125</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The financial statements were authorised for issue by the Executive Committee on and signed on its behalf by:

Peter Nussey WS  
Chairman

The notes on pages 10 to 17 form part of these financial statements

## TREFOIL HOUSE

### Notes to the Financial Statements

For the year ended 31 December 2008

#### 1. Accounting Policies

##### Basis of Accounting

The financial statements have been prepared under the historic cost convention as modified by the revaluation of fixed asset investments and in accordance with the Companies Act 1985, the Charities Accounts (Scotland) Regulations 2006 and follow the recommendations of Accounting and Reporting by Charities Statement of Recommend Practice (SORP) issued in March 2005.

##### Funds

- (i) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- (ii) Designated funds are unrestricted funds earmarked by the Executive Committee for particular purposes.
- (iii) Restricted funds are donations which require to be used for specific purposes as laid down by the donor and expenditure which meets criteria is charged to these funds.

##### Fixed assets

Depreciation is provided at rates calculated to write off the costs of each asset over its expected useful life which is estimated to be 4 years in respect of the office equipment. The heritable property is maintained in a good state of repair and, on the basis of professional advice received, the Executive Committee are of the opinion that the estimated realisable value of the property at the date of approval of the accounts exceeds the cost and therefore any depreciation charge would be immaterial on an aggregate basis. In prior years before the closure of the property, kitchen improvements were depreciated over 10 years and refurbishments depreciated over 15 years. The Executive Committee review the property annually for indicators of any impairment. Capital items under £3,000 will be expended through the statement of financial activities.

##### Investments

Investments are revalued at middle market prices at the balance sheet and the gain or loss taken to the Statement of Financial Activities.

##### Incoming resources

Incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and amount can be measured with reasonable certainty. In accordance with this policy, legacies are included when the charity is advised by the personal representatives of an estate that payment will be made or property transferred and the amount can be quantified.

No amounts are included in the financial statements for services donated by volunteers.

##### Resources expended

Resources expended are recognised in the period in which they are incurred and exclude recoverable VAT. Where possible, expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

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

## TREFOIL HOUSE

### Notes to the Financial Statements

For the year ended 31 December 2008

**2. Investments income and interest**

	2008	2007
	£	£
Income from listed investments	19,123	10,023
Interest receivable from cash deposits	<u>38,254</u>	<u>30,922</u>
	<u>57,377</u>	<u>40,945</u>

**3. Donations**

	2008	2007
	£	£
General donations	<u>5,981</u>	<u>11,237</u>

**4. Fundraising and publicity**

	2008	2007
	£	£
Special events expense	5,188	10,614
Marketing and publicity	<u>-</u>	<u>2,773</u>
	<u>5,188</u>	<u>13,387</u>

## TREFOIL HOUSE

### Notes to the Financial Statements – continued

For the year ended 31 December 2008

#### 5. Charitable activities

	2008	2007
	£	£
Salaries, wages and national insurance	57,248	49,577
Catering, cleaning and laundry	-	48
Repairs and renewals	31,465	41,835
Heat and light	4,769	597
Insurance	7,000	6,818
Rates	7,077	830
Garden expenses and wages	-	15,706
Motor and travelling expenses	3,094	1,376
Depreciation	7	39,392
Legal and professional fees	32,399	31,104
Management expenses	3,789	9,628
Holiday grants	23,370	19,630
Stationery and postage	3,666	2,620
Telephone	4,583	2,577
Miscellaneous expenses	1,043	1,265
Bank interest	36	75
Security	18,305	-
Advertising	-	1,769
Loan interest	-	328
	<u>197,581</u>	<u>225,175</u>

#### 6. Governance Costs

	2008	2007
	£	£
Salaries, wages and national insurance	44,261	36,325
Audit fee	<u>3,000</u>	<u>3,500</u>
	<u>47,261</u>	<u>39,825</u>

#### 7. Net incoming resources for the year

	2008	2007
	£	£
This is stated after charging:		
Depreciation	7	39,392
Auditor's remuneration	<u>3,000</u>	<u>3,500</u>

## TREFOIL HOUSE

### Notes to the Financial Statements – continued

For the year ended 31 December 2008

#### 8. Staff costs and numbers

	2008	2007
	£	£
Staff costs were as follows		
Salaries and wages	89,676	85,899
Social security costs	7,026	9,027
Pensions	<u>4,807</u>	<u>6,212</u>
	<u>101,509</u>	<u>101,138</u>

No employee received emoluments of more than £60,000.

No remuneration or reimbursement of expenses was paid during the year to any member of the committees.

The company arranged indemnity insurance cover in respect of the directors and officers at a cost of £784 (2007:£784).

The average monthly number of employees during the year was 2 (2007: 4).

#### 9. Pension costs

There are defined contribution pension arrangements for some employees, the assets of which are held separately from those of the charity in independently administered funds. The pension costs shown in note 9 represent contributions paid by the charity to these funds.

#### 10. Holiday grants

Grants totalling £23,370 (2007: £19,630) as shown in note 5 represent the payment of 80 (2007: 80) holiday grants to individuals, 12 of which exceeded £250.

#### 11. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

#### 12. Tangible fixed assets

	Heritable Property £	Office Equipment £	Total £
<b>Cost</b>			
Balance at 1 January 2008	785,091	-	785,091
Additions in year	-	678	678
Disposals in year	<u>(21,882)</u>	<u>-</u>	<u>(21,882)</u>
Balance at 31 December 2008	<u>763,209</u>	<u>678</u>	<u>763,887</u>
<b>Depreciation</b>			
Balance at 1 January 2008	231,486	-	231,486
Charge on disposals	(2,055)	-	7
Charge for year	<u>-</u>	<u>7</u>	<u>(2,055)</u>
Balance at 31 December 2008	<u>229,431</u>	<u>7</u>	<u>229,438</u>
Net book value			
At 31 December 2008	<u>533,778</u>	<u>671</u>	<u>534,449</u>
At 1 January 2008	<u>553,605</u>	<u>-</u>	<u>553,605</u>

**TREFOIL HOUSE**

**Notes to the Financial Statements – continued**

**For the year ended 31 December 2008**

**13. Investments**

	2008	2007
	£	£
At 1 January 2008 market value	239,795	255,977
Additions in year	30,209	13,873
Disposals at market value	<u>(22,904)</u>	<u>(14,170)</u>
	<u>247,100</u>	<u>255,680</u>
Unrealised loss on revaluation	<u>(86,687)</u>	<u>(15,885)</u>
Market value 31 December 2008	<u>160,413</u>	<u>239,795</u>
Historical cost 31 December 2008	<u>139,473</u>	<u>140,558</u>
Investment holdings in excess of 5% of portfolio value are	2008	
	£	
Barings European Growth Trust units	16,281	
Shell Transport Ord 25p shares	9,907	
BP Ord 25p shares	32,875	
Glaxosmithkline Ord 25p shares	29,210	
United Utilities Ord £1 shares	17,423	
8% Treasury stock 29/09/09	14,639	

All investments are listed UK securities

**14. Debtors**

	2008	2007
	£	£
Other debtors	-	80,000
Value added tax	4,606	5,806
Sundry debtors and prepayments	33,198	15,770
Tax repayable	<u>1,366</u>	<u>1,366</u>
	<u>39,170</u>	<u>102,942</u>

## TREFOIL HOUSE

### Notes to the Financial Statements – continued

For the year ended 31 December 2008

**15. Creditors:** Amounts falling due within one year

	2008	2007
	£	£
Sundry creditors and accruals	17,125	31,767
Social security and other taxes	<u>2,641</u>	<u>2,899</u>
	<u>19,766</u>	<u>34,666</u>

**16. Related party transactions**

Payments for professional services were made to the following related parties during the year as authorised by the Executive Committee under the terms of the Memorandum and Articles of Association.

Professional fees to Murrayfield Consultants of which Mr P E Nussey is sole proprietor £280 (2007: £3,678).

Professional fees to Gillespie Macandrew WS in which Mr T K Murray, the former chairman is a partner. £16,147 (2007: £1,314) including Value Added Tax where not recoverable.

**17. Accumulated funds**

	Movement in resources			
	Balance 1 January 2008	Incoming	Outgoing	
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	965,565	1,077,159	(212,043)	1,830,689
Designated funds	358,608	-	(358,608)	-
Revaluation fund	<u>60,397</u>	<u>39,928</u>	<u>(79,382)</u>	<u>20,943</u>
	<u>1,384,570</u>	<u>1,117,087</u>	<u>(650,025)</u>	<u>1,851,632</u>
<b>Restricted funds</b>				
Children's holiday fund	28,092	-	(28,092)	-
Revaluation fund	39,928	-	(39,928)	-
Future projects fund	<u>21,535</u>	<u>-</u>	<u>(21,535)</u>	<u>-</u>
	<u>89,555</u>	<u>-</u>	<u>(89,555)</u>	<u>-</u>
<b>Total funds</b>	<u>1,474,125</u>	<u>1,117,087</u>	<u>(739,580)</u>	<u>1,851,632</u>

## TREFOIL HOUSE

### Notes to the Financial Statements – continued

For the year ended 31 December 2008

#### 17. Accumulated funds – continued

##### Designated funds

Designated funds represented the property refurbishments commenced in 2003 and kitchen improvements commenced in 2002.

##### Children's Holiday fund

The purpose of this fund was to provide assistance with the cost of the holidays at Trefoil or elsewhere to children with disabilities who are not able to meet the normal full charges.

##### Future projects fund

This fund represented donations received for projects which were planned, but had not commenced at the end of the financial year. These projects include the upgrading of recreational equipment, the pool and the heating system.

##### Revaluation funds

The revaluation funds are required by the Companies Act 1985 and represent the amount by which investments exceed their historical cost.

Following the decision to close the House, all restricted funds have been transferred to unrestricted funds.

#### 18. Share capital

There is no share capital but the members all undertake to contribute to the assets of the company in the event of the same being wound up during the time he or she is a member, or within one year thereafter, such sum as may be required, not exceeding £1