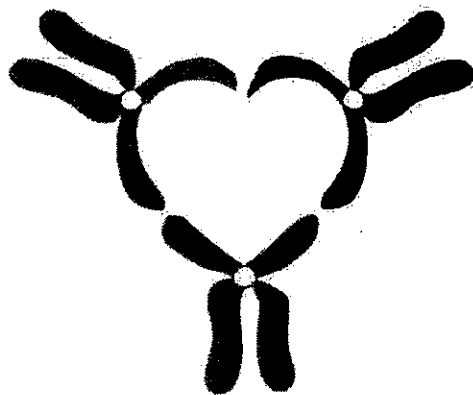


Down's Syndrome Scotland



Trustees' Report and Financial Statements

For the year ended 31 March 2012

DOWN'S SYNDROME SCOTLAND

Directors	Ian Fraser Suzanne Cunningham Samuel Campbell Stephen Hughes Moira McIntosh	Chairperson Vice Chairperson
Company Secretary	Pandora Summerfield	Chief Executive
Management Team	Pandora Summerfield Sarah Van Putten Sarah Gunn Sharon Kane	Chief Executive Family Support Service Manager Finance Manager Fundraising Manager
Independent Examiner	Michael Crerar CA Geoghegans Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD	
Bankers	Royal Bank of Scotland 142-144 Princes Street Edinburgh EH2 4EQ	
Solicitors	Lindsays WS Caledonian Exchange 19a Canning Street Edinburgh EH3 8HE	
Registered Office	158-160 Balgreen Road Edinburgh EH11 3AU	
Charity registration number	SC 011012	
Company registration number	SC356717	

**DOWN'S SYNDROME SCOTLAND
DIRECTORS' REPORT
YEAR TO 31 MARCH 2012**

The Directors of the company, who are also trustees for the purposes of charity law, present their report and the financial statements for the year ended 31 March 2012.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation (herein after called the Charity) is a charity limited by guarantee. There are four classes of membership: Life - for people with Down's syndrome and annual for Family, Individual and Professionals.

Recruitment and Appointment of Directors

A Board of Directors governs the charity. The charity's Memorandum and Articles determine that the maximum number of directors is 12 and the minimum 3. Up to 9 directors are elected by and from the membership and the remaining 3 are able to be appointed by the Board on the basis that he/she has specialist experience and/or skills which could be of assistance to the Board. The Directors may co-opt from the membership, any person who is willing to act to be a director in order to fill a vacancy, provided that the co-option does not cause the number of elected/co-opted directors to exceed 9.

A person is not eligible for election or appointment unless they are a member of the company. Elected directors are entitled to hold office for 3 years and are then eligible for re-election for a further 3-year period. The maximum period a director can serve is 9 years, unless agreed otherwise by the directors. Appointed directors hold office until the next annual general meeting after their appointment. They may then be re-appointed and may at any time, be removed from office by resolution of the Board of Directors.

Responsibilities of the Directors

Directors hold regular meetings (approximately every 10 weeks) between annual general meetings. They have general responsibility for the overall control of the Charity and agree policies and strategy. In particular, they are responsible for monitoring the financial position of the Charity and are the Charity's trustees.

The Directors who served during the period are:

Lesley Stalker	(resigned 5 October 2011)
Michelle Ferguson	(resigned 4 April 2012)
Samuel Campbell	
Rona Hamilton	(resigned 15 April 2011)
Suzanne Cunningham	
Ian Fraser	
Stephen Hughes	
Moir McIntosh	(elected 19 November 2011)
David Lanc	(appointed 19 November 2011)
	(resigned 18 June 2012)

**DOWN'S SYNDROME SCOTLAND
DIRECTORS' REPORT
YEAR TO 31 MARCH 2012**

Chief Executive

The Chief Executive has overall responsibility for the day to day management of the Charity's affairs and for implementing policies and strategies agreed by the Board. She leads the Management Team, which is comprised of the Chief Executive, the Family Support Service Manager, the Finance Manager and the Fundraising Manager.

There are currently 12 members of staff (8 whole time equivalent)

Investment Powers

The Memorandum of Association allows the Company to invest funds not immediately required in such investments, securities or property as may be considered appropriate. Other than ownership of the Charity's operating premises, no such investments are presently held.

Grant Making

The Memorandum of Association authorises the trustees to promote and support research of benefit to people with Down's syndrome. The Charity, however, is not primarily a grant making body and during the year no such grants were made.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE CHARITY

The objects for which the Charity is established are to improve the quality of life for everyone in Scotland with Down's syndrome by:

1. The advancement of education
2. The advancement of health
3. The advancement of citizenship
4. The relief of those in need by reason of disability

In furtherance of these objects the Charity undertakes the following principal activities:

- Relieve the needs of people with Down's syndrome and their parents, relatives and carers;
- Help to facilitate the personal development of people with Down's syndrome in order that they may realise their full potential;
- Advance the education of the general public and people professionally involved in Scotland about Down's syndrome, and the capability and right of people with Down's syndrome to lead rewarding and independent lives;
- Promote and support research of benefit to people with Down's syndrome and publish the results of such research.

**DOWN'S SYNDROME SCOTLAND
DIRECTORS' REPORT
YEAR TO 31 MARCH 2012**

We do this through:

Providing support and information to parents, families, professionals, the public and for children and adults with Down's syndrome, primarily from a team of specialist staff in our Family Support Service.

Providing training courses both for adults with Down's syndrome and for professionals and parents.

Providing Branch Activities by mainly parent volunteers, to enhance leisure and social opportunities for children and adults with Down's syndrome and their families.

ACHIEVEMENTS AND PERFORMANCE

This year's and the coming year's key objectives, together with our achievements for this year, are summarised as follows:

Providing Family Support and Information

This continues to be a critical part of what we do and is at the heart of the organisation. The Family Support Service includes a Manager and 2 Family Support Officers, one covers the Central Belt and the South, the other covers the North and the Highlands.

This year we have:

- Responded to 651 (2010/11 – 308) enquiries from parents,
- Supported 146 (2010/11- 21) parents for individual case work involving more than one meeting

In the year April 2011 to March 2012 we have seen enquiries continue to climb and a significant increase in our provision of individual support to families. The nature of the enquiries vary greatly from parents contacting us during pregnancy regarding screening results and parents of new born babies in those vital early days. These calls are always dealt with as a priority.

The Service offers 'all through life' support. Other enquiries cover developmental milestones such as feeding, weaning, learning to walk, nursery and school education particularly around transition periods. Medical issues cross all ages and typical enquiries are around sleep disturbance, tonsils, sleep apnoea, heart surgery, thyroid, diet, weight and exercise.

The link between Down's syndrome and dementia cannot be underestimated with 50% of people with Down's syndrome developing dementia and usually early in life. This year we have supported parents and/or siblings who are the main carers for adults with Down's syndrome who have also developed dementia.

**DOWN'S SYNDROME SCOTLAND
DIRECTORS' REPORT
YEAR TO 31 MARCH 2012**

Increasingly, families are approaching us about transition to adulthood, community care issues, moving their son/daughter into their own home and thinking about what will happen on their death and issues of guardianship, power of attorney, wills and trusts.

Provision of Information to Professionals

We have continued to offer information to professionals as we appreciate the significant role they play in the lives of the individuals and families we support.

This year we have:

- Responded to 455 (2010/11 – 232) enquiries from professionals
- Provided 21 (2010/11 – 15) formal consultation visits to schools.

Enquiries from professionals cover all ages and stages. However the majority continue to come from education and nursery staff on inclusion, friendships, the specific learning profile of children with Down's syndrome and behaviour management. We have supported community learning disability nurses, particularly to do with dementia in adults with Down's syndrome. Other professionals such as health visitors and home visiting teachers have also contacted the Charity for support and information.

Our Impact

At present we measure the success or impact of our service through gathering feedback contained in letters, telephone messages and emails. Informal comments from parents and professionals have been recorded in order to help us evaluate our practice. Current feedback has indicated that:

- Parents continue to value the support and feel more able to deal with things, thus improving the outcomes for their child – such as better understanding from education professionals, better healthcare treatment and increased knowledge of how to support their child's development at home.
- Parents/Carers need our support to fill in forms for welfare benefits, giving financial resources to assist in meeting support needs. We have supported 3 families through the appeals process to a successful completion. We have also supported another 2 families to successfully submit first time claims and 6 families with successful reassessment for Disability Living Allowance. In addition we have supported 2 families to apply successfully to the Family Fund. We envisage that our work in this area will increase with the advent of the new Welfare Benefits System.

**DOWN'S SYNDROME SCOTLAND
DIRECTORS' REPORT
YEAR TO 31 MARCH 2012**

Other work

This year DSSports has continued to grow and develop in some areas/sports and in others pilot groups have come and gone. All of these are helping us to build better networks with local sports providers and to continue to evaluate what works. Football and Dance have continued to be delivered through Celtic Football Club, Karate continues in Cumbernauld, Tennis Scotland have provided a pilot set of tennis sessions in Perth and a pilot of gymnastics classes has been run in Edinburgh.

The ABC (Achieving Better Communication) Groups in Edinburgh have continued and have settled in over time to the new model. The parents with the support of National Office have continued to fundraise to ensure that all costs are covered, in addition to the weekly fees they pay. The service now has 27 children attending from 12 months – 16 years of age coming from Edinburgh, The Lothians and Fife.

Provision of Training

The charity provides training and support to staff working in mainstream and special schools, family centres, out of school care provisions and leisure/social facilities.

Activity in this area of work is primarily the responsibility of our Family Support Service Officers. Work undertaken during the year included:

- Providing 21 (2010/11 – 11) training sessions to professionals including education staff, play workers, support staff and health service staff.
- Providing 1 lecture to medical and nursing students on 'Breaking the News and Down's syndrome Awareness'.
- Trained 13 parent contact volunteers, who have themselves supported 21 families since their training in October 2011.

Formal training evaluations are completed by all participants and 98% stated that the training was very useful and had increased their knowledge.

Provision of Training (cont)

'Making Your Way through Life' is a five year training project funded by The Big Lottery Fund's '21st Century Life' and started in July 2009.

The Making Your Way Through Life project continues to run 2 courses a year for young people and adults with Down's syndrome. The Being Confident and Speaking Up course was held in Glasgow, May 2011 and Taking Part in Meetings was held in Dundee, November 2011. The courses involve fun activities, role playing, quizzes, group and poster work which helps individuals explore what they are good at, practice speaking- up scenarios and build their confidence and self-esteem. Each participant on the course is encouraged to get involved in a personal challenge. Over the year 2011/12, 13 people attended the above 2 courses.

The Making Your Way Through Life project employs 6 sessional trainers with Down's syndrome. The trainers continue to help deliver the courses and improve their training skills.

The Big Plan programme was introduced in January 2011. It gives young people and adults with Down's syndrome the opportunity to think about what they want in their lives and with the help of their families or teams, put together action steps to work towards. Over 5 meetings, the fun activities help each person work on a person centred plan for their life.

The Big Plan is built around the question:

- ***What would it take for this person to have an interesting, fulfilling life where they could meet people who would become their friends and are able to make their contribution to their local community?***

The first Big Plan was held in Edinburgh and ran April to June 2011, with a follow up meeting in September. The second Big Plan was held in Glasgow, September to November 2011. Both were a success and received excellent feedback. Over the year 2011/12, 14 families took part in The Big Plan.

Everyone who took part achieved some or all of their action steps. Action steps vary from 'getting my own place or a job' to 'getting out and about more, meeting new people and trying something new'. A Big Plan DVD was filmed in November 2011, it has interviews with 2 trainers, who both participated in the Edinburgh Big Plan. This DVD will be used in future information sessions to help recruit families to the Big Plan.

Communication and Information resources

Digital Developments

Since our new website was taken in-house and launched in 2009 we have made constant updates and additions to our web pages to make it user-friendly, accessible and informative. This year we added a Twitter widget to our home page. This allows viewers to receive the most updated information from our organisation.

During the year April 2011- March 2012 our website received traffic from 135 countries (2011 – 117)and received 18,326 new visitors (2011 – 17,805).

Alongside our website we continue to produce our monthly e-bulletin. It is vibrant and easy to read and has been complemented by other organisations. This service is continually growing steadily each year; from April 2011 to March 2012 we received 261 new subscribers, which raised our total number of subscribers to 943 by the end of March 2012. As a result of our continued growth we were chosen as a UK success story for an e-bulletin company.

We have maintained our presence on social media sites: Twitter and Facebook. Our target audiences for twitter are related organisations and professionals while our Facebook audience is parents and family members of people with Down's syndrome.

Our social media profiles have been raised among families with our monthly Facebook and Twitter Lunch Hour. This allows families to send an instant query to our Family Support Service who will respond straight away with either the information or a follow-up. Throughout the year we have had a total of 115 Facebook queries, 143 Facebook likes and 15 tweets solely during the 12 Facebook and Twitter Hours.

Events and Campaigns

Our biggest event this year was our Annual Conference November 2011. The event was successful with 120 delegates and 16 children in attendance. Workshops focussed on a range of topics on speech and language, supported employment, self-directed support, power of attorney and guardianship, understanding behaviour, dementia and research.

As 2012 is our 30th anniversary year, to celebrate, raise funds and raise awareness we have organised 3 events for members and supporters to take part in. These are a '30 Courses in 30 Days Golf Challenge' in March 2012; a Funday celebration on 13th May organised by our 6 individual Branches and a Gala Dinner in October 2012.

For Down's Syndrome Awareness Week, we continue to run a month long fundraising and awareness campaign, 'Do-A-Dish for Down's syndrome'. The focus of this campaign is around inclusion and the way in which sharing food brings friends, families and communities together. Our 2012 'Do a Dish' campaign raised £5,605 (2011 - £4,358).

**DOWN'S SYNDROME SCOTLAND
DIRECTORS' REPORT
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Media relations

During the 12 months to 31 March 2012 our organisation received 21 mentions in the press. We received 3 two-page articles in The Daily Record, the Edinburgh Evening News and The Scotsman. We also received a six-page spread in the Herald Magazine and an editorial commendation in the Daily Record for our creative methods of fundraising.

Publications

Our 28 page bi-annual magazine presents news, events, lifestyle, health, fitness, family, education and opinion articles from various contributors, including the Family Support team, members and professionals. The design and layout is now completed in-house and saves on design costs.

Our publications are currently under review with the aim to produce updated, relevant publications. During the year we received funding from Children's Aid Scotland to reprint and update our popular 'When a Baby has Down's Syndrome' publication. This will be sent out to all delivery units in Scotland during June/July 2012 as well as being freely available to download online. We have also received funding from the Erskine Cunningham Hill Trust towards the update and reprinting of our 2 publications on dealing with Down's syndrome and dementia. These 2 publications are due to be reprinted in the autumn of 2012.

Library

Our library resources are full of information for individuals with Down's syndrome and for their parents/carers and professionals. We have publicised our library services on our e-bulletins and magazine. Our library users are encouraged to write reviews of our resources, these reviews will then be included in our magazine. Our Family Support Service Team promotes the library services to parents and professionals that they meet.

Provision of Branch Activities

Members of the charity automatically become members of their local branch. We currently have 6 branches through which we provide local contact and support to members who are parents of people with Down's syndrome as well as the adults and children themselves.

Our branches fundraise in order to organise activities and trips for their members. The branch committees are always trying to think of new fun things for members to do, which can be challenging at times as they are providing activities for children and adults with Down's syndrome as well as social activities for parents and carers to network and come together in a relaxed environment. Below is a brief summary of each branch's activity over the last year.

**DOWN'S SYNDROME SCOTLAND
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Ayrshire: The Ayrshire Branch continues to hold monthly meetings in Kilmarnock. Through these meetings they support each other and give direction to some who have been seeking help. Some members of the Branch are heavily involved in the drama group at Centre Stage in Kilmarnock. The performances are well organised and well balanced for individuals with different abilities.

The Whitaugh Park trip was a very successful weekend event. The Branch raises funds to sponsor individual adult members with Down's syndrome and their parent or carer to attend for the weekend. All the outdoor activities encourage confidence building and team work. The Ayrshire Branch organised other trips and social events during the year, including a visit to the Museum of Transport in Glasgow and a Christmas party.

Central: The Central Branch has a well established activities club, which takes place fortnightly on a Saturday afternoon. Here members can take part in ball games, board games, arts and crafts and play pool. Individual music sessions are provided by a music specialist. It also gives an opportunity for parents and carers to meet. The branch organised popular Art-Link workshops in the Autumn of 2011, activities included plaster casting, silk painting, felt making and jewellery.

Several outings were arranged throughout the year to: Kidz World, Blair Drummond Safari Park, Christmas party, ten pin bowling, pantomime trip and a very enjoyable St Andrews night dinner on 25th November.

A new parent and under-5 group was set up in Falkirk in February 2012 and meets fortnightly. This has provided a network for parents with children of similar ages.

Edinburgh and Lothian: The branch runs a fortnightly session for young people and adults with Down's syndrome (aged 15 and above) who love to dance – The Boogie Bunch. This is very popular among the members and the group goes on cinema and bowling outings. The group showcases its talent in a Christmas performance.

The Parent and Toddler Group (newborn to five years old) provides support and understanding at what can be an extremely difficult time for new parents and a chance to meet friends and gather information.

Drama Club was also organised as a 'taster' session and this ran for 6 weeks. This was organised by a drama student from Queen Margaret University and this again was successful, with 7 children attending and this will continue in the winter of 2012.

The branch has also arranged special branch outings to the Pantomime, a Bowling Night, a Christmas Party and for the third year running an afternoon river cruise, using 2 canal barges donated by the Seagull Trust.

Grampian: The Grampian Branch continued its successful 5s & Under Sunday group, which gives parents a chance to meet each other and share stories while the children enjoy playing together. With the recent influx of new members the group remains an important part of the Branch's calendar.

Following on from the success of the ceilidh in 2011 it was decided to hold a disco at which over 100 people attended. The intention is to now hold an annual ceilidh/disco.

**DOWN'S SYNDROME SCOTLAND
DIRECTORS' REPORT
YEAR TO 31 MARCH 2012**

A new event was introduced in the calendar – a monthly pool night taking place in Aberdeen. Around 15 budding players from around the North East take part in this exciting club. It is hoped that this will emulate the success of the monthly bowling nights, which continue to run. The branch arranged its annual Children's Christmas party, popular with all ages. To celebrate Down's syndrome Awareness Week, the branch held a Cheese and Wine evening.

Tayside and Northeast Fife: The Tayside Branch continued its successful Swing and Sing Group. This is a mixture of music, dance, puppets and instruments for our younger members. These sessions have run on a monthly basis provided by a qualified music teacher. They are well attended by members and give parents a chance to meet each other. The group has at least 12 children plus an equal number of siblings. For older members the branch continues to hold regular 'African Drumming' sessions.

The Branch also subsidises trips and activities to enable members with Down's syndrome to promote themselves and improve their skills and abilities. The trip to the Climbing Wall in September proved an exciting challenge for some of the members.

Regular events include ten pin bowling, a summer outing to Deep Sea World, the Singing Kettle and a Christmas trip to 'Jumping Joeys'. For older members with Down's syndrome the Branch encouraged them to book their own tickets to a local pantomime and these seats were subsidised by the Branch.

West of Scotland: The West of Scotland Branch provides a variety of activities across a range of ages, which give individuals with Down's syndrome and their families an opportunity to form friendships and expand their social networks. The branch runs a monthly Family and Toddler group with Jo Jingles playing sensory games involving music and movement. Monthly drama classes for adults and teenagers have run for the second year with great success.

The monthly ten-pin bowling group continues with great success and is open to anyone with Down's syndrome 14 years and above.

The branch has organised 2 very successful ceilidhs which are well attended and have brought new people into branch activities.

The Ups and Down's Theatre Group, which had initially started as part of the West of Scotland Branch and grown into a successful organisation of its own, became an independent charity in its own right. The Trustees agreed that the money raised for their group's purposes (£38,056) should be formally transferred to the group on establishment of their charitable status. The Trustees wish the new organisation every success in the future.

Working with other professionals

We maintain a strong commitment to working closely with other organisations where this can add to what we do and when resources allow. We have continued to represent the interests of individuals with Down's syndrome to the following organisations and committees:

**DOWN'S SYNDROME SCOTLAND
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Scottish Consortium on Learning Disability (SCLD)

We are formal partners in this consortium of organisations that was formed in order to bid to be the learning disability Centre of Excellence in Scotland, as recommended in the document Same As You. The other partners are the Association for Real Change (ARC), Badaguish Outdoor Centre, British Institute for Learning Disabilities, Capability Scotland, Enable, Key Housing, Profound and Multiple Impairment Service (PAMIS), Quality Action Group, University of Dundee, University of Glasgow, University of St Andrews.

The Chief Executive is a director of SCLD, a charitable company.

Learning Disability Alliance Scotland (LDAS)

This organisation brings together people with learning disabilities and staff from its member organisations. It is an active campaigning organisation, helping people with learning disabilities to have a voice and make it be heard.

For Scotland's Disabled Children (FSDC)

This is a coalition of like minded third sector organisations who meet to try to improve things for Scotland's disabled children through sharing information, feeding into Scottish Government consultations and raising the profile of this group of children and their families. The 4 particular areas of interest have included short breaks, transitions, education and childcare. Downs's Syndrome Scotland currently participates in both the Education sub group and the Transition Forum.

Cross Party Group on Learning Disability

We are members of this group, chaired by 2 MSPs, raising issues pertinent to Down's syndrome and working with other members on taking issues forward.

FINANCIAL PERFORMANCE

The Statement of Financial Activities (SoFA) set out on page 17 shows that the net movement in funds for the period was (£76,991). This deficit can be broken down further into a net deficit on the movement of unrestricted funds of (£19,853) and a net deficit on the movement of restricted funds of (£57,138).

In 2011/12 79% of the Charity's income came through Voluntary Donations, Trust Funding and Fundraising Activities. The Charity relies heavily on these income streams and during the year a concerted effort was made to apply to more charitable trusts for funding – 570 letters and applications were sent out with funding received from 23. These include The Robertson Trust, the Henry Duncan Awards and Lloyds TSB Foundation for Scotland, The Christina Mary Hendrie Trust, St James Place Foundation and The Graham Trust. The Charity had hoped to receive more funding and efforts will continue to be made to raise income from Charitable Trusts during 2012/13.

**DOWN'S SYNDROME SCOTLAND
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In March 2012 we advertised for a new post in the Charity – Fundraising Manager and this post was filled in April. Over the past 3 years income from fundraising activities has grown significantly (increase of 200%) and the Directors consider that Community Fundraising in particular is an appropriate source of income to concentrate time and resources to. The new Fundraising Manager will be responsible for increasing this area of activity.

The major expense in Restricted Funds is the transfer of funds to the new independent charity formed from the old 'Ups and Downs' drama group based in the West of Scotland. Net funds at the date of transfer were £38,056. Our predicted outcome for the year 2011/12 was a surplus of £5,890 in unrestricted funds. The main reasons for the deficit of (£19,853) were the reduction in forecast funding from Charitable Foundations (referred to above) and unexpected professional fees.

We envisage that the current economic recession and uncertain income streams will continue to affect our financial results in 2012-13. We will continue to tightly control costs whilst striving to provide the high level of support needed by our members and supporters.

We refer below to our plans for 2012-13 and we would urge our members and supporters to continue to give regularly and fundraise if we are to meet these goals. If we all work together we can continue to support everyone in our unique community in Scotland.

Plans for 2012-13

As we anticipate no real change in the economic situation, we will continue to tightly control costs, whilst pro-actively focussing on fundraising.

Whilst we have plans for developing ABC groups on a national basis, this will only happen when sufficient dedicated funding is in place and so may not be achieved during 2012-13. We are considering applying first for funding to run 2 pilot projects which will be externally evaluated. This funding will be applied for in 2012-13.

As a very large part of what we do is reactive and dependent on the requests for support that come to us from families and professionals alike, we will continue to ensure that we are as ready as we can be to provide an excellent and comprehensive service. The changes we introduced in terms of our staffing, structure and services provided by the Family Support Service have had a significant impact on the amount of work we now do and we envisage this continuing to grow in 2012-13.

Reserves Policy

Down's Syndrome Scotland maintains three types of Reserves:

1. Restricted Funds (Branch and General)
2. Designated Funds (Branch and General)
3. Unrestricted Reserve Funds (General)

**DOWN'S SYNDROME SCOTLAND
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Details of those funds, which may consist of cash or a mixture of cash and fixed assets, and the reasons for which they are held are shown as Notes 9 and 10 to the Accounts.

Designated Funds were created to build up funds which may be used in future periods to help defray the impact of expenditure on capital items such as the renewal of our IT systems and property. All unrestricted funds in the Branches are designated funds

The General Unrestricted Reserve Fund represents the free unrestricted funds of the charity not designated or invested in tangible fixed assets. These are held to meet general current and future running costs of the charity and to fund activities for which it does not prove possible to obtain specific funding. Our policy is that reserves of the equivalent of twelve months average unrestricted expenditure (not including branch unrestricted expenditure) should be held in the General Reserve Fund to provide sufficient time to replace any lost funding or to make the necessary alterations to activities. Maintaining this level of reserves is regarded as good practice and one we strive towards, although currently we have reserves of less than 6 months: as at 31 March 2012 the balance on the General Reserve Fund was £94,940 as against the required holding under this policy of £201,859.

Funds held by Branches

Down's Syndrome Scotland has a network of six branches throughout Scotland each of which fundraise for their own activities. Each branch produces accounts, which are then consolidated with the national office accounts to produce the full accounts of the charity. Funds held by branches can also be either restricted or unrestricted. Branch restricted funds are included in Notes 9 and 10 to the accounts.

Each branch is run wholly by volunteers and undertakes a variety of outreach activities. The voluntary and fragmented nature of this type of organisation makes it harder to ensure a regular flow of funds into each branch and the trustees' policy on levels of free reserves to be held recognises this potential difficulty. The policy is that each branch should maintain cash reserves representing 12 months average monthly costs.

On the recommendation of our accountants, we have worked with our branches to reduce the number of bank accounts held in the name of the charity. At 31 March 2012, 4 out of the 6 Branches had closed their individual branch bank accounts and transferred the cash to the National office Bank Accounts. The funds will continue to be designated for branch use. The intention is that the remaining 2 branches will close their bank accounts by the end of June 2012 and transfer the funds to the National Office bank accounts in the same way.

Directors' Responsibilities Statement

The Directors (who are also Trustees for the purposes of Charity Law) are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application

**DOWN'S SYNDROME SCOTLAND
DIRECTORS' REPORT
YEAR TO 31 MARCH 2012**

of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to:


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

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

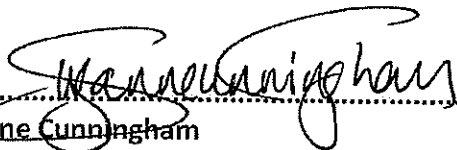
Small Company Exemptions

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 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Directors on 10 September 2012 and signed on its behalf by:



.....
Ian Fraser
Chairperson



.....
Suzanne Cunningham
Director

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF DOWN'S SYNDROME SCOTLAND

I report on the financial statements of the charity for the year ended 31 March 2012 which are set out on pages 17 to 28.

Respective responsibilities of trustees and examiner

The directors (who are also trustees for the purposes of charity law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation [10(1) (a) to (c)] of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts regulation. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - To keep accounting records in accordance 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - To prepare financial statements which accord with the accounting records and comply with Regulation (8) of the 2006 Accounts Regulations;have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Michael Crerar, CA
Independent Examiner

10 September 2012

Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

DOWN'S SYNDROME SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account)

For the Year ended 31 March 2012

	Notes	Unrestricted £	Restricted £	2012 £	2011 £
INCOMING RESOURCES					
<i>Incoming Resources From Generated Funds</i>					
<i>Voluntary Income</i>					
Donations and Gifts		54,424	6,067	60,491	79,264
Grants and Trusts		24,400	184,486	208,886	139,915
Legacies		5,628	-	5,628	30,000
Membership Subscriptions		9,254	-	9,254	8,094
Give as you earn donations		14,772	-	14,772	16,746
<i>Activities for Generating Funds</i>					
Organised Events		75,287	16,032	91,319	124,583
Branch Activities		755	6,025	6,780	4,695
Conferences and Literature		8,773	-	8,773	10,941
Other Income		18,787	-	18,787	13,834
<i>Investment Income</i>					
Bank Interest Received		302	15	317	451
		<u>212,382</u>	<u>212,625</u>	<u>425,007</u>	<u>428,523</u>
RESOURCES EXPENDED					
Cost of Generating Funds	3	84,248	2,887	87,135	61,087
Charitable Activities	3	131,435	228,820	360,255	336,725
Governance Costs	3	16,552	-	16,552	23,293
Funds Transferred to New Charity	3	-	38,056	38,056	-
		<u>232,235</u>	<u>269,763</u>	<u>501,998</u>	<u>421,105</u>
Net incoming/(outgoing) resources		(19,853)	(57,138)	(76,991)	7,418
Fund Balances brought forward at 1 April 2011		<u>277,977</u>	<u>112,491</u>	<u>390,468</u>	<u>383,050</u>
Fund Balances carried forward at 31 March 2012		<u>258,124</u>	<u>55,353</u>	<u>313,477</u>	<u>390,468</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

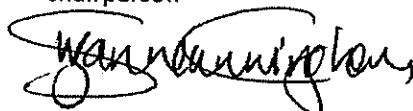
BALANCE SHEET
As at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible Assets	6	80,950	<u>81,105</u>
Current Assets			
Debtors	7	43,487	44,162
Cash at Bank and in Hand		<u>211,826</u>	<u>282,626</u>
		255,313	326,788
Creditors: amounts falling due within one year	8	<u>(22,786)</u>	<u>(17,425)</u>
Net Current Assets		<u>232,527</u>	<u>309,363</u>
Net Assets		<u><u>313,477</u></u>	<u><u>390,468</u></u>
Funds			
Restricted Funds	9	55,353	112,491
Designated Funds	10	107,383	122,027
Unrestricted Funds	10	<u>150,741</u>	<u>155,950</u>
		<u><u>313,477</u></u>	<u><u>390,468</u></u>

For the year ended 31 March 2012 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. The accounts on pages 17 to 28 were approved and authorised for issue by the Board of Directors on behalf of the Trustees on 10th September 2012 and are signed on their behalf.



Ian Fraser
Chairperson



Suzanne Cunningham
Trustee

Company Registration Number: SC356717

DOWN'S SYNDROME SCOTLAND

Notes to the Financial Statements for the year ending 31 March 2012

1. Accounting policies

1.1 Basis of preparation of accounts

The Financial Statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Statement of Recommended Practice – Accounting and Reporting for Charities (SORP 2005) and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They include the results of Down's Syndrome Scotland's operations as described in the Trustees' Report and all of which are continuing. The financial results of the six branches are consolidated with the results from the national office to produce the full accounts of the charity.

Cash Flow Statements

Down's Syndrome Scotland has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it qualifies as a small charity.

Funds

All income and expenditure is dealt with through the Statement of Financial Activities. Funds are classified as restricted funds, unrestricted funds or designated funds, defined as follows:

- Restricted Funds

Restricted funds are funds subject to specific trusts or conditions, which may be declared by the donor or with their authority (e.g. by the restrictive wording of an appeal). Restricted funds can be either income funds or capital funds.

- Unrestricted Funds

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of Down's Syndrome Scotland. A transfer is made from unrestricted funds to restricted funds to compensate fully all restricted funds which would otherwise be in deficit at the accounting date.

- Designated Funds

Designated funds are unrestricted funds that have been earmarked by the trustees for a specific purpose.

Gift Aid / Deeds of Covenant

Income from Gift Aid donations and Deeds of Covenant include the received or receivable associated tax credit.

Leasing Commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.2 Income

Voluntary income and donations are accounted for as receivable by the charity. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

1.3 Grants

Revenue grants receivable are recognised in the period to which they relate. Capital grants are accounted for as restricted funds when received.

DOWN'S SYNDROME SCOTLAND

Notes to the Financial Statements for the year ending 31 March 2012 contd.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and their cost written off over a period depending on the type of asset as shown below.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

	%	Basis
Heritable property	2.5	straight line
Office equipment	25	straight line
Fixtures & Fittings	10	straight line

1.5 Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. The charity is not registered for VAT and expenditure is therefore inclusive of any irrecoverable VAT, which is reported as part of the expenditure to which it relates:

- Cost of generating funds comprises costs incurred in applying to people and organisations to contribute financially to the charity's work. This includes the costs of staging special fundraising events and salaries of staff involved in fundraising work.
- The cost of charitable activities is those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on the basis of time spent on each activity.

1.6 Pension Scheme

The charity operates a group personal pension scheme on a defined contribution basis. The contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

The Charity is also a member of the Scottish Voluntary Sector Pension Scheme (the Scheme), which is a multi employer defined benefit pension scheme. This Scheme closed to future accrual on 31 March 2010. As it is not possible to confirm the charity's share of underlying assets and liabilities of the Scheme it is accounted for as a defined contribution scheme with costs equal to the contributions made for the period.

2. Taxation

As a charity, Down's Syndrome Scotland is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 and section 258 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable purposes. No tax charges have arisen in the Charity.

DOWN'S SYNDROME SCOTLAND

Notes to the accounts for the year ended 31 March 2012

3. Analysis of Total Resources Expended

	Direct Staff Costs £	Other Direct Costs £	Support Costs £	2012 Total £	2011 Total £
Cost of Generating Funds	23,337	42,865	20,933	87,135	62,232
Charitable Activities costs in furtherance of the charity's objectives:					
Family Support Services and Information Service	99,410	7,315	104,663	211,388	181,105
Training Development	60,283	7,796	30,915	98,994	90,682
Branch Activities	-	49,873	-	49,873	72,710
	159,693	64,984	135,578	360,255	344,497
Governance	5,998	6,045	4,509	16,552	14,376
Funds Transferred to New Charity	-	38,056	-	38,056	-
	189,028	151,950	161,020	501,998	421,105

Detail of Charitable Support Costs	2012 £	2011 £
Insurance and Rates	4,508	4,641
Repairs/Maintenance	2,241	1,101
Utilities & Cleaning	3,201	2,535
ICT Software, licences & Support	10,943	8,661
Depreciation	4,855	9,705
Telephone & Postage	7,314	6,420
Resources/Printing/Publications	11,736	6,328
Stationery/Photocopying	3,864	6,398
Events/Venue Hire	13,198	12,456
Professional Fees	14,508	11,672
Sundry expenses	896	1,404
Storage costs	1,820	1,820
Finance and Admin staff costs	81,936	73,752
	161,020	146,893

Support Costs allocated to Core Activities on staff time basis

DOWN'S SYNDROME SCOTLAND

Notes to the accounts for the year ended 31 March 2012 (continued)

4. Staff Costs	2012	2011
	£	£
Wages and Salaries	213,377	182,420
Social Security Costs	17,538	17,094
Pension Costs	13,411	9,584
	<u>244,326</u>	<u>209,098</u>

No employee earned £60,000 or more (2011: No employees earned £60,000 or more)

The average number of employees, analysed by function, was:	2012	2011
Direct charitable function	3.8	3.4
Fundraising, management and administration	3.6	3.6
	<u>7.4</u>	<u>7</u>

During the year a total of £786 (2011 - £102) was paid to 2 (2011 - 3) Directors in respect of reimbursement of travel and subsistence expenses. None of these Directors received any remuneration during the period.

5. Governance Costs	2012	2011
	£	£
Independent Examination Fee	3,000	-
Audit fee	-	3,901
Legal & Professional Fees	1,124	-
Director's Expenses	786	102
Meeting Costs	1,134	1,535
National Office Staff Costs	10,508	8,838
	<u>16,552</u>	<u>14,376</u>

6. Fixed Assets	Heritable Property £	Fixtures & Fittings £	Office Equipment £	2012 Total £
Cost				
Cost Bfwd at 1 April 2011	80,000	20,162	73,351	173,513
Additions	-	-	4,700	4,700
Disposals	-	-	(5,466)	(5,466)
At 31 March 2012	<u>80,000</u>	<u>20,162</u>	<u>72,585</u>	<u>172,747</u>
Depreciation				
Depreciation bfwd at 1 April 2011	4,000	18,133	70,275	92,408
Charge for the year	2,000	571	2,284	4,855
Disposals	-	-	(5,466)	(5,466)
At 31 March 2012	<u>6,000</u>	<u>18,704</u>	<u>67,093</u>	<u>91,797</u>
Net Book Value at 31 March 2012	<u>74,000</u>	<u>1,458</u>	<u>5,492</u>	<u>80,950</u>
Net Book Value at 31 March 2011	<u>76,000</u>	<u>2,029</u>	<u>3,076</u>	<u>81,105</u>

DOWN'S SYNDROME SCOTLAND

Notes to the accounts for the period ended 31 March 2012 (continued)

7. Debtors	2012	2011
	£	£
Other Debtors	37,824	40,662
Prepayments	5,663	3,500
	<u>43,487</u>	<u>44,162</u>

8. Creditors: Amounts falling due within one year	2012	2011
	£	£
Other Creditors	18,790	6,043
Accruals	3,996	11,382
	<u>22,786</u>	<u>17,425</u>

Financial Commitments

At 31 March 2012 the charity had annual commitments under a non-cancellable operating equipment lease as follows:

Expiry date:	2012	2011
	£	£
Between one and five years	3,350	3,350
	<u>3,350</u>	<u>3,350</u>

9. Restricted Funds

	Balance at	Movement in Resources		Balance at
	01-Apr-11	Incoming	Outgoing	31-Mar-12
	£	£	£	£
Making Your Way Project (<i>Big Lottery Fund</i>)	14,716	60,295	(68,163)	6,848
Family Support Services	14,500	73,217	(71,717)	16,000
West of Scotland Toddler Group	292	-	-	292
Library	-	2,000	(2,000)	-
Fixed Assets reserve	27,175	-	(2,026)	25,149
Information Resources (<i>Scottish Gov</i>)	-	40,275	(40,275)	-
Committee rep adults with				
Down's syndrome	4,000	-	(4,000)	-
ABC Service - run by DSS	-	17,748	(16,790)	958
Parent Contact Support Service	8,250	-	(2,601)	5,649
	<u>68,933</u>	<u>193,535</u>	<u>(207,572)</u>	<u>54,896</u>
Branch restricted Funds				
Lothian - ABC Group	457	-	-	457
Ups and Down's-Theatre Group	43,101	19,090	(62,191)	-
	<u>43,558</u>	<u>19,090</u>	<u>(62,191)</u>	<u>457</u>
Total Restricted Funds	<u>112,491</u>	<u>212,625</u>	<u>(269,763)</u>	<u>55,353</u>

DOWN'S SYNDROME SCOTLAND

Notes to the accounts for the period ended 31 March 2012 (continued)

Restricted Funds (continued)

Making Your Way Through Life Project

This project is funded by the Big Lottery Fund and works to increase the confidence and self-esteem of people with Down's syndrome by providing them with necessary skills. This project is for 5 years commencing July 2009

Family Support Services

This relates to funding received from a number of Charitable Trusts (including St James' Place, The Robertson Trust, The PF Trust, The Henry Duncan Award, The Widowers' Childrens Home Trust and more) for contributions towards the cost of the Family Support Service. The total includes £16,000 committed to, by funders for the years 2012-2014, but not yet received by the charity.

West of Scotland Toddler Group

To support the children's toddler group operating in the West of Scotland

Library

To jointly provide an online library facility with the Scottish Consortium for Learning Disabilities

Fixed Assets Reserves

Represents the net book value of premises and tangible fixed assets acquired with restricted funds

Information Resources

This relates to funding received from the Scottish Government for contributions towards the costs of reviewing and implementing the information service in all of its aspects.

Adults with Down's syndrome

This related to funding received from a number of sources to carry out a factfinding exercise on how adults with Down's syndrome would be able to contribute to the policy making of the Charity. Where this funding was donated for the restricted activity, permission has been sought from the original funders to put these funds towards the Family Support Service's work with adults with Down's syndrome.

ABC Group run by Down's Syndrome Scotland

This relates to the Achieving Better Communication Group, managed by the National Office in Edinburgh.

Parent Contact Support Service

This is funding received in 2010/11 to cover training, development and support of the volunteer parent contacts.

Branch Restricted Funds

These relate to funds received at the branches restricted to a certain activity. During the period The Ups and Downs Drama Group became an independent charity and funds of £38,056 were transferred.

DOWN'S SYNDROME SCOTLAND

Notes to the accounts for the year ended 31 March 2012 (continued)

10. Unrestricted Funds	Balance on 01-Apr-11 £	Movement in Incoming £	Resources Outgoing £	Balance at 31-Mar-12 £
General Reserves (unrestricted)	155,950	196,650	(201,859)	150,741
Designated Fund Capital Renewal	25,000	-	-	25,000
Designated Fund -Branch Caravan fund	4,229	2,750	(4,982)	1,997
Designated Branch Reserves (unrestricted)	92,798	12,982	(25,394)	80,386
Total Unrestricted Funds	277,977	212,382	(232,235)	258,124

Designated Fund - Capital Renewal

This fund represents funds designated by the Directors to help defray the impact of future expenditure on capital items

Designated Fund - Branch Caravan Fund

This fund represents funds designated by the Directors for the continued upkeep of the caravan made available for families of children with Down's syndrome.

11. Analysis of Funds Net Assets	Fixed Assets £	Current Assets £	Total £
Restricted Funds	25,149	29,747	54,896
Branch Restricted Funds	-	457	457
Unrestricted General Funds	55,801	94,940	150,741
Designated - Unrestricted Branch Funds	-	80,386	80,386
Designated - Other Funds	-	26,997	26,997
	80,950	232,526	313,477

12. Pension Commitments

Defined contribution pension arrangements

Down's Syndrome Scotland operates a group personal pension scheme on a defined contribution basis. Employer contributions are paid at 4% of pensionable salaries while employee contributions are also 4% of pensionable salaries. Employer pension contributions payable in the year were £6,090 (2011: £2,552)

Defined Benefit pension arrangements

Down's Syndrome Scotland participates in the Scottish Voluntary Sector Pension Scheme (the Scheme). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was contracted out of the state scheme until 31 March 2010, when the Scheme was closed to future accrual.

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with 1/60th accrual rate and final salary with 1/80th accrual rate, until the date of the Scheme closure on 31 March 2010.

The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scottish Voluntary Sector Pension Scheme and it continues in paid-up form.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under the FRS 17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2008, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the 30 September 2008 was £45.1 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £20.438 million (equivalent to a past service funding level of 68.8%).

DOWN'S SYNDROME SCOTLAND

Notes to the Financial Statements for the year ending 31 March 2012 cont.

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

		%pa	
•	Investment return pre retirement	6.8	
•	Investment return post retirement	4.6	
•	Rate of salary increase	4.2	for five years and
		4.7	thereafter
•	Rate of pension increases:		
	For pensionable service pre 6 April 2005	3.0	
	For pensionable service post 5 April 2005	2.3	
•	Rate of price inflation	3.2	

The funding update at 30 September 2010 revealed that the estimated past service funding level has increased to 81.0%, and the shortfall of assets compared with the value of liabilities has fallen to an estimated £15.12m. This is primarily due to positive investment returns over the period concerned, the settlement of employer debts on leaving, the change in basis of pension increases from RPI to CPI and the changes in actuarial assumptions.

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.

From 1 April 2010 a new recovery plan came into effect, following the finalisation of the 2008 valuation. Under the recovery plan Down's Syndrome Scotland is required to make lump sum payments of £7,032p.a. increasing annually in line with the salary assumption used in the valuation. Payments for the year to 31 March 2012 were £7,321.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit arising from the 2005 and 2008 valuations, on an on-going funding basis, by 31 March 2022. The required level of deficit contributions is expected to fall from 30 September 2018.

A copy of the recovery plan must be sent to the Pensions Regulator after each valuation is finalised. 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.

DOWN'S SYNDROME SCOTLAND

Notes to the Financial Statements for the year ending 31 March 2012 cont.

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).

The recovery plan from the 2008 valuation has been submitted to the Pensions Regulator. The actuarial valuation as at 30 September 2011 is still in progress and has not yet been finalised and therefore this note still refers to the 2008 valuation, being the last finalised valuation. The results of the 2011 valuation will be advised to employers in due course.

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 Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (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 Scheme. 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 Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's 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 Scheme liabilities, Scheme 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.

Down's Syndrome Scotland has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Scheme as at 30 September 2011. As of this date the estimated employer debt for Down's Syndrome Scotland was £159,430.

