

themungofoundation

Financial Statements for the Year ended 31 March 2008

themungofoundation

Company Limited by Guarantee

Company No SC256488

Registered Charity SC035078



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Company Details

Company Registration Number: SC 256488

Charity Number: SC035078

Registered Office: 196 Clyde Street
Glasgow
G1 4JY

Trustees: Most Rev Mario Joseph Conti
Right Rev Monsignor John Canon Gilmartin
Right Rev Monsignor James T Canon Clancy
Right Rev Monsignor Owen Gallagher
Very Rev Peter Canon Gallacher
Right Rev Monsignor Peter Canon Smith
Mr Ian Baillie
Councillor Elizabeth Cameron – resigned 4 October 2007
Miss Agnes Malone
Mr Brian Gilda

Company Secretary: McSparran McCormick
Waterloo Chambers
19 Waterloo Street
Glasgow
G2 6AH

Senior Officers: Chief Executive – Ms Dana O’Dwyer
Director of Finance – Mr Gerry Casey
Director of Human Resources – Ms Sue Jardine (Interim)
Director of Services and Development – Ms Una Munro (Acting)

Bankers: The Royal Bank of Scotland
1st Floor
100 West George Street
Glasgow
G2 1PP

Solicitors: McSparran McCormick
Waterloo Chambers
19 Waterloo Street
Glasgow
G2 6AH

Auditors: Grant Thornton UK LLP
95 Bothwell Street
Glasgow
G2 7JZ

Website: www.themungofoundation.org.uk

REPORT OF THE TRUSTEES

The Trustees present their annual report and the audited financial statements of The Mungo Foundation for the year ended 31 March 2008.

Incorporation

The company was incorporated on 23 September 2003 as a company limited by guarantee (SC 256488) and recognised by the Inland Revenue as a charity for the purposes of Section 505 Income & Corporation Taxes Act 1988 (SC 035078) with effect from that date. The company's Memorandum and Articles of Association are its governing document.

The company began operating on 1 April 2004.

Objectives and Structure

The Mungo Foundation was established by the Archdiocese of Glasgow to take forward the work of its Community Social Services Department, as inspired by the Gospel of Christ, and enriched by the tradition and ethical teaching of the Catholic Church.

The objectives of the company are governed by its Memorandum and Articles of Association which were amended by special resolution on 1 May 2007. The objectives are to promote welfare, relieve poverty and advance education for the public benefit by the provision of wide ranging social services to children and adults with care and support needs within Scotland.

These objectives were met through the provision of residential, respite and day care services to adults and children with a learning disability, providing support and accommodation for young, homeless people, including asylum seekers, providing services to frail, older people, particularly those with dementia, supporting those with mental health problems, single mothers, people with a sensory impairment and people with substance misuse problems.

The directors of the company are its Trustees and are referred to as Trustees throughout.

The company is headed by a Board of Trustees, of whom the Trustees and Chancellor of the Archdiocese of Glasgow are *ex officio* members. Up to 4 additional Board Members may be appointed by the *ex officio* Board Members. The management of the company is headed by a Chief Executive who reports to the Board on a regular basis and to whom Directors of Services and Development, Finance and Human Resources, and their staff, are accountable.

The strategic decisions affecting the company are made by the Trustees, with operational decisions delegated to the Chief Executive and the Senior Management Team.

New Trustees of the company have the opportunity to meet with the Board Chairman and the Chief Executive to discuss their role and responsibilities on behalf of the organisation. A copy of the Memorandum & Articles of Association and the current Business Plan are provided as part of this process and an induction pack has been produced. The Company Secretary, who is also the company's lawyer, attends all Board meetings to provide advice and updates on changing legislation. The role and responsibilities of Trustees and discussions on the requirements of the

REPORT OF THE TRUSTEES (continued)

Office of Scottish Charity Regulator are regular items at Board meetings. Training for Board Members on governance and other matters is available as required.

During the year the Trustees in conjunction with the Senior Management Team undertook a strategic review of The Mungo Foundation. The company's vision for the next 3 years will be to deliver, improve and expand the diverse range of services, as outlined in the new Business Plan covering the period 2008/09 to 2010/11. Further information on the five strategic aims of the plan will be provided in the Trustees' Report for the year ended 31 March 2009.

Business Review and Future Developments

The company successfully continued its programme of developing the work of the former Community Social Services Department of the Archdiocese of Glasgow, as an independent organisation in the voluntary sector.

The funding environment for the voluntary sector remains difficult with local authorities facing financial pressures and seeking efficiency savings on an annual basis. Zero inflationary increases, particularly in projects funded by the Scottish Government's Supporting People money, plus below inflation uplifts in other areas, increase the financial pressure on projects. Expenditure is closely monitored and controlled by the Senior Management Team, without compromising service delivery.

The pressure of the challenging funding environment, combined with the current lack of unrestricted reserves, limits the company's ability to give pay awards for staff outwith the level of inflation paid by funders. This could have consequences for the organisation's ability to attract and retain suitably qualified staff.

The main aims of The Mungo Foundation to 31 March 2008 were to:

- a) Secure and sustain current projects
- b) Seek to improve the quality of the services provided
- c) Develop new services

a) Secure and Sustain Current Projects

The reconfiguration of a Learning Disability project in Glasgow is ongoing with service users being relocated to other projects due to the property they reside in no longer meeting the needs of the service. It is anticipated that the reconfiguration will be completed in 2008/09.

The reconfiguration of a service for vulnerable young women in Glasgow was agreed with the funding authority. The implementation of the reconfigured service took place during the year.

The reconfiguration of Learning Disability projects in East Renfrewshire are currently the subject of discussions with the Local Authority to better meet the needs of the service users. It is anticipated that the reconfiguration will be completed in 2008/09.

REPORT OF THE TRUSTEES (continued)

b) Seek to Improve the Quality of the Services Provided

A review of the services currently provided by the company was completed during the year. The aim of the review was to ensure that the models of care provided were continuing to develop in line with best practice, that they met the needs of service users and were operated cost effectively. A programme of internal inspection and audit of the services has been implemented as a result of the review to ensure that best practice is being implemented.

An internal IT audit has been undertaken to ensure that all projects are able to meet the requirements of the internal and external quality frameworks. Several system upgrades have been implemented following the IT audit. A new ICT Strategy was approved during the year and will be implemented in 2008/09.

The Training Manager, having completed the audit of the annual training programme, will continue to review the programme on an ongoing basis. The training is delivered on an internal and external basis for staff of the company. There has been an increase in the number of internal Mungo Foundation assessors who support staff undertaking SVQ training. The Scottish Qualifications Authority verified and renewed the status of the company as an SQA approved centre.

Funding was again received from the Scottish Government's Voluntary Sector Development Fund to ensure that managers meet the registration requirements of the Scottish Social Services Council.

An extensive programme of work to audit and develop the organisation's health and safety systems, particularly regarding fire safety awareness and training was commenced. A detailed update will be given in the Trustees' Report for the year ended 31 March 2009.

c) Develop New Services

The provision of a nursing home service for 10 people with Alcohol Related Brain Damage started in March 2007. The service operates on an interim basis from the company's dementia unit in Drumchapel due to the lack of suitable accommodation within Glasgow. The long term aim is to relocate the service if suitable accommodation becomes available for a 20 place unit.

The work to implement the tender won in June 2006 to provide a Community Alcohol Support Service has been progressed with staff appointed and suitable premises secured. The service provision commenced during the year.

The provision of a long term drug rehabilitation service commenced during the year, with the first service users admitted to Cothrom Eile in December 2007.

The tender won during 2006/07 to provide Direct Access Accommodation services for homeless people within the East Dunbartonshire area commenced during the year, earlier than anticipated in March 2008.

The Mungo Foundation will continue to review development opportunities and tender for the provision of services that meet the objectives of the charity. In April 2007, a further tender was won to provide a Learning Disability service within Perth & Kinross, a new Local Authority area for the

REPORT OF THE TRUSTEES (continued)

company. Due to delays in the building of the property from which the service is to be provided the anticipated start date is now 2008/09.

The focus of the Board and senior management over the next 3 years will be to ensure the continuing, steady growth of the company through the pursuit of tendering opportunities to develop new services, whilst ensuring the provision of person-centred services to existing service users. The development of a fund-raising strategy to attract additional resources is of prime importance, as is the implementation of an information technology strategy to provide effective communication and provision of information, both internally and externally.

Trustees

The Trustees who served the company during the year and those appointed since the end of the financial year are listed on page 3.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Mungo Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and

REPORT OF THE TRUSTEES (continued)

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees' are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Review of the Financial Position

The Trustees report a net increase in funds of £407,912 for the year (2006/07: decrease of £16,420) with net assets of £1,729,539 as at 31 March 2008 (2006/07: £1,321,627).

The operating surplus after finance costs and before property transactions and transfers from the Archdiocese of Glasgow was £407,912, (2006/07: £16,420).

During 2005/06 an interim valuation of the property was undertaken creating a revaluation reserve of £70,000.

The principal source of funding comes from working in partnership with local authorities and other funding bodies in the provision of care services within Glasgow and the West of Scotland. The income generated from this source amounted to £14,676,167 (2006/07: £13,504,385).

During the year donations were received of £76,102 (2006/07: £81,714).

Reserves Policy

The Mungo Foundation is a relatively young company and operates in a market in which it is difficult to accumulate reserves. However, the Trustees would like to build up reserves over time, sufficient to meet future contingencies.

Connected Charities

The Mungo Foundation is a connected charity with the Archdiocese of Glasgow by virtue of the common control of the *ex-officio* Trustees. Full details on the Archdiocese of Glasgow can be obtained from the Director of Finance at the Curial Office of the organisation.

Risk Management

The Trustees in conjunction with senior members of staff conducted a review of the major risks to which the company was exposed. A formal Risk Register was produced as a result of the review. The Risk Register is reviewed by the Board of Trustees and Senior Staff during the year to ensure that new and changing risk priorities are identified. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity. An internal audit programme is carried out by head office staff.

REPORT OF THE TRUSTEES (continued)

Financial Risk Management Policies and Objectives

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The company does not use derivative financial instruments to manage interest rate or foreign exchange costs and as such, no hedge accounting is applied. Given the size of the company, the Trustees have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Trustees are implemented by the company's finance function.

Price Risk

The company is exposed to price risk as a result of its operations. However, given the size of the company's operations, the cost of managing exposure to price risk exceeds the potential benefits. The Trustees will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit Risk

The company mainly contracts with Local Government Authorities and other Governmental bodies, which are viewed as being a low credit risk. The amount of exposure to any individual counterparty is reassessed regularly by the Board.

Liquidity Risk

The company maintains short-term cash that is designed to ensure the company has sufficient funds for its operations.

Interest Rate Cash Flow Risk

The company has interest bearing assets. The interest bearing assets only include cash balances, which earn interest at variable rates. The Trustees will revisit the appropriateness of this policy should the company's operations change in size or nature.

Employment of Disabled Persons

The Mungo Foundation gives full and fair consideration to applications for employment of people with a disability, having regard to their particular skills and abilities. Appropriate training is arranged for disabled persons, including retraining for employees who become disabled in order for them to continue their career development within the organisation. The Mungo Foundation has been welcomed by the Job Centre Plus as a user of the "Positive about Disabled People" symbol.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE MUNGO FOUNDATION

We have audited the financial statements of The Mungo Foundation for the period ended 31 March 2008 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, the cash flow statement and notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985 and Section 44(1)c of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of The Mungo Foundation for the purposes of company law) for preparing the Trustees' 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 Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and whether the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, or if the charity's financial statements are not in agreement with those accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

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

Basis of audit opinion

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE MUNGO FOUNDATION (continued)

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Report is consistent with the financial statements for the period ended 31 March 2008.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
GLASGOW

5th September 2008

ACCOUNTING POLICIES

The principal accounting policies of the company are set out below.

Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice 2005: Accounting and Reporting by Charities, The Companies Act 1985, Law Reform (Miscellaneous Provisions) Act 1990 and the Charities Accounts (Scotland) Regulations 2006. The accounts have been prepared under the historical cost convention with the exception of heritable property which is subject to periodic revaluation to market value.

Incoming Resources

Voluntary income including donations, gifts, legacies and grants are included when received.

Investment Income is recognised on a receipts basis.

Income from charitable activities includes income from funding bodies where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance. Other income, including personal contributions are accounted for when received.

Other income is accounted for as it is received.

Resources Expended

Expenditure is recognised when a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and service provision. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

The governance costs include those incurred in the governance of the charity and its constitutional and statutory requirements. The expenditure includes audit fees, legal and other professional fees for the governance of the organisation.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. in line with the costs recoverable under the terms of the service provision contracts.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

ACCOUNTING POLICIES (continued)

Tangible Fixed Assets

Properties, investments and other fixed assets donated to the charity are included as income at market value at the time of receipt and are shown as assets on the balance sheet until disposal takes place.

All other fixed assets are initially recorded at cost.

Heritable properties are revalued every five years, with an interim review being carried out after three years. The surpluses or deficits on revaluation of such properties are transferred to the relevant fund to which the assets relate, namely, designated, restricted or unrestricted.

Significant purchases of fixed assets are capitalised and depreciated.

Depreciation

Depreciation is calculated to write down the cost or valuation of tangible fixed assets, with the exception of land and buildings under construction, by equal annual instalments over their expected useful lives. The rates generally applicable are:

Heritable Property	2%
Furniture, Fittings & Equipment	15% - 33.1/3%
Vehicles	15% - 33.1/3%

Grants

Grants receivable for significant capital expenditure are treated as deferred income and released to the income and expenditure account over the expected useful lives of the relevant assets. Where project funding includes immaterial capital expenditure, it is expensed.

Grants receivable for revenue expenditure are credited to the income and expenditure account in the period to which related expenditure is recognised.

Restricted and designated funds

In accordance with the Statement of Recommended Practice, amounts received by the company which the donor has instructed be used for a specific purpose are held in restricted funds. From time to time the Trustees decide that certain other funds be used for specific purposes. These are known as designated funds, and are transferred from general funds.

Expenditure which meets the criteria laid down for restricted or designated funds are disclosed within the SOFA under the appropriate category of fund.

ACCOUNTING POLICIES (continued)

Contributions to staff pension funds

The pension costs in the income and expenditure account represent the amount of contributions payable to the pension schemes in respect of the accounting period.

Leased Assets

Payments made for assets held under operating leases are charged to the Statement of Financial Activities as incurred.

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 31/03/08	Total Funds 31/03/07
		£	£	£	£
Incoming Resources					
From Generated Funds					
Voluntary Income		18,651	57,451	76,102	81,714
Investment Income		78,538	-	78,538	38,412
		97,189	57,451	154,640	120,126
From Charitable Activities					
Income From Funding Bodies	1	14,676,167	-	14,676,167	13,504,385
Personal Contributions		929,857	-	929,857	279,615
Other Income		35,089	-	35,089	21,789
		15,641,113	-	15,641,113	13,805,789
Other Incoming Resources					
Insurance Receipts		-	-	-	9,545
Training Grants		70,123	-	70,123	25,575
		70,123	-	70,123	35,120
Total Incoming Resources		15,808,425	57,451	15,865,876	13,961,035
Resources Expended					
Charitable Activities	3	15,401,557	29,521	15,431,078	13,946,228
Governance Costs		26,886	-	26,886	31,227
Total Resources Expended		15,428,443	29,521	15,457,964	13,977,455
Net Incoming/(Outgoing) Resources Before Transfers		379,982	27,930	407,912	(16,420)
Gross Transfer Between Funds	12	-	-	-	-
Net Incoming/(Outgoing) Before Other Recognised Gains And Losses		379,982	27,930	407,912	(16,420)
Other Recognised Gains And Losses					
Loss on Sale of Property		-	-	-	-
Gain on Revaluation of Assets		-	-	-	-
Net Movement In Funds		379,982	27,930	407,912	(16,420)
Balances Brought Forward		1,183,365	138,262	1,321,627	1,338,047
Balances Carried Forward		1,563,347	166,192	1,729,539	1,321,627

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The accompanying accounting policies on pages 13 to 15 and notes on pages 19 to 26 form part of these accounts.

CASH FLOW STATEMENT

	Note	Year to 31/03/08 £	Period to 31/03/07 £
Reconciliation of operating surplus to net cash inflow from operating activities			
Net (Outgoing)/Incoming Resources		407,912	(16,420)
Interest Received		41,763	13,536
Depreciation charges		110,700	114,398
(Increase)/Decrease in debtors		7,725	(8,891)
Increase/(Decrease) in creditors		509,491	(79,465)
		1,077,591	23,158
Net cash inflow from operating activities		1,077,591	23,158

CASH FLOW STATEMENT

Net cash flow from operating activities		1,077,591	23,158
Returns on investments and servicing of finance	15	(41,763)	(13,536)
Capital expenditure less realisations	15	(32,310)	(1,029,001)
Financing			
Receipts from Borrowings		-	1,732,813
		1,003,518	713,434
Increase in cash		1,003,518	713,434

Reconciliation of net cash flow to movement in net funds

Change in Net Debt		966,467	(1,019,380)
Net funds at 1 April 2007		(377,920)	641,460
Net funds at 31 March 2008	16	588,547	(377,920)

The accompanying accounting policies on pages 13 to 15 and notes on pages 19 to 26 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Incoming Resources

	Year to 31/03/08	Year to 31/03/07
	£	£
Department of Work and Pensions	-	530,080
Health Boards	282,365	276,010
Local Authorities	14,393,802	12,698,295
	<u>14,676,167</u>	<u>13,504,385</u>

2. Employment Costs

	£	£
Salaries and Wages	11,126,109	10,132,019
Social Security Costs	928,981	871,001
Pension Costs	354,131	349,405
	<u>12,409,221</u>	<u>11,352,425</u>

One employee received emoluments of more than £60,000 (2007: one). The contributions to a Money Purchase scheme during the year were £6,825 (2007: £6,496)

The average number of people employed by The Mungo Foundation was:

	No	No
Operational staff in projects	639	615
Management and administration	27	27
	<u>666</u>	<u>642</u>

Remuneration of Trustees

The Trustees of The Mungo Foundation receive no remuneration for their services. During the year, insurance was purchased at a cost of £1,500 (2007: £379) which indemnifies the Trustees against certain liabilities they may incur in respect of their role as Trustees of the charity.

NOTES TO THE ACCOUNTS (continued)

3. Analysis of Charitable Expenditure

	Addictions £	Elderly £	Homelessness £	Learning Disabilities £	Mental Health £	Learning Disabilities Respite £	Sensory Impairment £	Total £	2007 Total £
Employment Costs	1,527,258	1,532,687	1,019,298	4,650,321	1,129,323	1,403,027	184,698	11,446,612	10,241,831
Property Costs	203,450	254,492	167,424	317,615	190,701	107,817	8,706	1,250,205	1,140,930
Services Costs	144,197	145,486	72,550	214,637	84,623	83,618	7,449	752,560	667,557
Transport Costs	23,007	1,719	8,870	48,362	16,855	50,994	242	150,049	146,839
Administration Costs	146,487	130,083	51,031	86,104	61,040	41,148	11,916	527,809	336,012
Support Costs	199,572	171,449	129,351	487,873	144,160	151,029	20,409	1,303,843	1,413,059
	2,243,971	2,235,916	1,448,524	5,804,912	1,626,702	1,837,633	233,420	15,431,078	13,946,228

4 Analysis of Support Costs

Support costs are apportioned across charitable activities on the basis of the amounts recoverable within the contracts for each service.

	Addictions £	Elderly £	Homelessness £	Learning Disabilities £	Mental Health £	Learning Disabilities Respite £	Sensory Impairment £	Total £	2007 Total £
Support Costs									
Training	27,476	19,920	19,698	77,854	21,244	21,578	2,267	190,037	194,486
HQ Costs	172,096	151,529	109,653	410,019	122,916	129,451	18,142	1,113,806	1,218,573
	199,572	171,449	129,351	487,873	144,160	151,029	20,409	1,303,843	1,413,059

NOTES TO THE ACCOUNTS (continued)

5. Net Incoming Resources

The net incoming resources are stated after (crediting)/debiting:

	Year to 31/03/08 £	Year to 31/03/07 £
Depreciation	110,700	114,398
Auditors' remuneration – for audit services	18,917	20,915

6. Fixed Assets

	Buildings £	Vehicles £	Computer Equipment £	Furniture & Equipment £	Total £
Valuation Or Cost					
At 31/03/07	2,336,071	-	40,527	162,504	2,539,102
Revaluation	-	-	-	-	-
Additions	-	24,734	7,576	-	32,310
Disposals	-	-	-	-	-
Transfer	-	-	-	-	-
At 31/03/08	2,336,071	24,734	48,103	162,504	2,571,412
Aggregate Depreciation					
At 31/03/07	46,721	-	28,705	54,168	129,594
Charge for period	46,721	1,374	8,437	54,168	110,700
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfer	-	-	-	-	-
At 31/03/08	93,442	1,374	37,142	108,336	240,294
WDV at 31/03/08	2,242,629	23,360	10,961	54,168	2,331,118
WDV at 31/03/07	2,289,350	-	11,822	108,336	2,409,508

The properties were donated by the Archdiocese of Glasgow on 1 April 2004 at open market value. The valuation was carried out by Freeman Macleod Limited, chartered surveyors and property consultants on 6 February 2004.

NOTES TO THE ACCOUNTS (continued)

An interim valuation was undertaken of the Buildings at 30 May 2006 by the Director of Development of the Archdiocese of Glasgow, a chartered surveyor, on an open market basis and was incorporated as at 31 March 2006.

Buildings include interest capitalised of £nil for the period (2007- £25,947).

The aggregate depreciation under the historic cost basis would have been £40,000 (2007: £30,000).

The figures stated above for cost or valuation include Land and Heritable Property as follows:

	31/03/08	31/03/07
	£	£
At Cost	500,000	500,000
At Valuation	550,000	550,000

If certain fixed assets had not been revalued they would have been included on the historic cost basis at the following amounts:

	NBV of revalued tangible Fixed Assets 31/03/08 £	NBV of revalued tangible Fixed Assets 31/03/07 £
Cost	500,000	500,000
Accumulated Depreciation	(40,000)	(30,000)
	<u>460,000</u>	<u>470,000</u>

7. Debtors

	31/03/08	31/03/07
	£	£
Trade Debtors	747,661	767,211
Prepayments and Accrued Income	261,860	250,375
Other Debtors	1,595	1,255
	<u>1,011,116</u>	<u>1,018,841</u>

NOTES TO THE ACCOUNTS (continued)

8. Bank and Cash

	31/03/08 £	31/03/07 £
Bank	2,221,714	1,165,798
Project Bank Accounts	136,498	188,896
Petty Cash	200	200
	<u>2,358,412</u>	<u>1,354,894</u>

9. Creditors: amounts falling due within 1 year

	31/03/08 £	31/03/07 £
Trade Creditors	53,689	38,441
Accrued Expenditure	956,114	642,947
Deferred Income	820,291	672,683
PAYE/NIC	272,323	240,105
Pensions	-	32,865
Archdiocese of Glasgow	15,705	2,943
Other Creditors	83,120	63,569
Term Loan	91,545	86,641
	<u>2,292,787</u>	<u>1,780,194</u>

A bond and floating charge has been granted as security for a Term Loan to finance the construction of a 30 bed care facility

10. Creditors: amounts falling due after more than 1 year

	31/03/08 £	31/03/07 £
Retentions	-	-
Deferred Income	-	35,250
Term Loan	1,678,320	1,646,172
	<u>1,678,320</u>	<u>1,681,422</u>
	31/03/08 £	31/03/07 £
Term Loan Due 2-5 Years	366,179	346,562
Term Loan Due Over 5 Years	1,312,141	1,299,610
	<u>1,678,320</u>	<u>1,646,172</u>

A bond and floating charge has been granted as security for a Term Loan to finance the construction of a 30 bed care facility. The loan is repayable over 20 years.

NOTES TO THE ACCOUNTS (continued)

11. Deferred Income

Deferred income comprises receipts that the company is not contractually entitled to recognise at the balance sheet date for services to be provided in a future financial period.

	31/03/08	31/03/07
	£	£
Balance as at 1 April	707,933	789,541
Released in year	(316,346)	(368,666)
Deferred in year	428,704	287,058
Balance as at 31 March	<u>820,291</u>	<u>707,933</u>

12. Transfer between Funds

There were no transfers between funds during the year.

13. Analysis of Restricted Funds

	Balance at 31/03/07	Incoming Resources	Resources Expended	Transfer between funds	Balance at 31/03/08
	£	£	£		£
<u>Unrestricted Funds</u>					
General funds	1,113,365	15,808,425	(15,428,443)	-	1,493,347
Revaluation Reserve	70,000	-	-	-	70,000
	<u>1,183,365</u>	<u>15,808,425</u>	<u>(15,428,443)</u>	-	<u>1,563,347</u>
<u>Restricted Funds</u>					
Counselling Fund	12,500	-	-	-	12,500
Transport Fund	17,000	-	-	-	17,000
Project Funds	108,762	57,451	(29,521)	-	136,692
	<u>138,262</u>	<u>57,451</u>	<u>(29,521)</u>	-	<u>166,192</u>
Total Funds	<u>1,321,627</u>	<u>15,865,876</u>	<u>(15,457,964)</u>	-	<u>1,729,539</u>

Purpose of Unrestricted Funds

Revaluation Reserve Fund: The revaluation reserve fund is required by the Companies Act 1985 and represents the amount by which buildings exceed their historical value.

Purpose of Restricted Funds

Transport Fund: represents funds received for the provision of minibuses and transport facilities.

NOTES TO THE ACCOUNTS (continued)

Counselling Fund: represents funds received to fund a counselling service for young vulnerable adults.

Project Funds: represents funds received for use within specific projects operated by the charity.

14. Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total
	£		£
Tangible Fixed Assets	2,331,118	0	2,331,118
Cash at bank and in Hand	2,192,220	166,192	2,358,412
Other net current Assets	(1,281,671)	0	(1,281,671)
Creditors More than one year	(1,678,320)	0	(1,678,320)
	1,563,347	166,192	1,729,539

15. Gross Cash Flows

	Year to 31/03/08	Year to 31/03/07
	£	£
Returns on investments and servicing of finance		
Interest paid	(120,301)	(51,948)
Interest Received	78,538	38,412
	(41,763)	(13,536)
Capital Expenditure		
Payments to acquire tangible fixed assets	32,310	(1,029,002)
Receipts from sales of tangible fixed assets	-	-
	32,310	(1,029,002)

16. Analysis of Changes in Net Debt

	At 31 March 2007	Cash Flows	Other Changes	At 31 March 2008
	£	£	£	£
Cash at bank	1,354,894	1,003,518	-	2,358,412
	1,354,894	1,003,518	-	2,358,412
Debt due within 1 year	(86,642)	(37,051)	32,148	(91,545)
Debt due after 1 year	(1,646,172)	-	(32,148)	(1,678,320)
	(377,920)	966,467	-	588,547

NOTES TO THE ACCOUNTS (continued)

17. Pensions

The Mungo Foundation operates a number of defined contribution pension schemes for the benefit of certain employees. The assets of the schemes are administered by Trustees in funds independent from those of The Mungo Foundation. Contributions in the year amounted to £354,132 (2007: £349,405).

18. Capital Commitments

There were no capital commitments at 31st March 2008 and 31st March 2007.

19. Contingent Liabilities

There were no contingent liabilities at 31 March 2008 and 31 March 2007.

20. Leasing Commitments

Operating lease payments amounting to £9,934 are due within one year in respect of motor vehicles and various items of general equipment. The leases to which these amounts relate expire as follows:

	31/03/08 £	31/03/07 £
In one year or less	9,934	22,112
Between one and five years	33,389	41,667
In five years or more	-	-
	43,323	63,779
	43,323	63,779

21. Related Parties

The company has taken advantage of the exemptions within FRS 8 “Related Parties” in not disclosing transactions with the Archdiocese of Glasgow, given that 90% or more of the company is controlled by the Archdiocese of Glasgow.

22. Controlling Party

The company is controlled by the Archdiocese of Glasgow.