

**CRAIGMILLAR ABILITY NETWORK**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**2008**

**1. Accounting Policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

**(b) Fund Accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the reinstatement of fixed assets at market value.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

**(c) Incoming Resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- Voluntary Income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.