

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2023
for
McFarlane Trust Ltd.

O'Haras Accountants Limited
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

Contents of the Financial Statements
for the Year Ended 31 March 2023

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 9
Statement of Financial Activities	10
Statement of Financial Position	11
Statement of Cash Flows	12
Notes to the Statement of Cash Flows	13
Notes to the Financial Statements	14 to 23

Report of the Trustees
for the Year Ended 31 March 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The financial statements comply with the Charities and Trustees Investments (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principle objective of the charity is the provision of accommodation and care in the community for adults with complex learning disabilities.

The charity has in place general and project management that are ever mindful of opportunities to improve all aspects of care support to all the people supported to integrate them into their communities and to provide them with life enhancing opportunities.

Our strategy is to grow organically and to continue to increase our capacity in respect of accommodation, care and support, without affecting the high standard of service we provide.

Report of the Trustees
for the Year Ended 31 March 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

As a provider of care at home and housing support for adults with a learning disability and associated health needs, it is vital that we have effective recording and reporting documentation in place to capture information relevant to each person we support. This demonstrates accountability and helps us to support people to achieve positive outcomes. Reviewing and improving support documentation is ongoing and where possible we adapt our procedures to incorporate a more modern approach and using technology as appropriate. The following have been upgraded during the year:

- Health Plan: contains all information relevant to a person's needs such as mobility, nutrition and hydration, mental health and wellbeing.
- Support Plan: contains all information relevant to a person's practical and physical support requirements such as communication, likes and dislikes, my best day, my nightmare day.
- Outcome Focused Reviews: each person has 4 review meetings per year where their circle of support meet to evaluate their support. Each person has a personal outcomes plan which details the outcomes they are working towards achieving.
- Pictorial Tenancy Agreement: Where someone has capacity to sign their own tenancy agreement it is produced in pictorial form as well as in written form. Pictorial documentation ensures that we meet the communication and cognitive needs of the people we support.

An unexpected opportunity arose during the year when, due to staff shortages, another service provider in East Renfrewshire was unable to continue providing support for a property with three tenants. After successfully recruiting additional staff, we were able to offer our services as replacement providers. The service seamlessly transferred in November 2022 and we continue to improve on the service offered to our new tenants.

During the year we organised a new mortgage facility with the intention of purchasing two additional properties, one to replace a property sold last year and one to add to our portfolio. Rather than stretch our resources after taking on the East Renfrewshire service mentioned above, we have purchased one property during this year and postponed the purchase of the second property to within the next two years. The additional mortgage funds have been designated as a property fund.

The new property in Paisley purchased in September 2022 became fully operational in July 2023 with three new tenants. Our continuing successful recruitment programme enabled us to cover the support hours at this new service with no adverse effect on our other services.

As part of our recruitment drive, we became approved sponsors with the Home Office and this opened additional opportunities for staffing. We currently have two employees on 3 year sponsorship contracts. Although this is as many employees on this type of contract as we can support at any one time we would hope to look again at this option in the future.

During the year we purchased a new wheelchair adapted vehicle for one of our services and replaced an old vehicle at another. Our plan going forward is to have in place a service vehicle for each property and provide additional travel opportunities to the people we support.

Using surplus funds accumulated during the pandemic and current year funds we have recommenced our property maintenance and upgrading program. An example of the major works completed during the year are:

- New extension, kitchen and replacement windows at Main Road
- New front entrance ramp at Main Road
- Refurbished kitchen, new guttering and fascias at Linwood Road
- Refurbished bathroom and new laminate flooring throughout ground floor at Glencally
- Replacement of all radiators, and upgrade to internal fire doors at Gartmore
- New wood flooring in hall and dining room and kitchen refurb at Endrick
- New back entrance ramp at Endrick
- New front windows, laundry room refurb and internal decoration throughout at Craw Road

We moved into our new office premises in June 2022 on a 3 year lease. The new office is more accessible in terms of parking and location to both our staff and to the people we support.

Report of the Trustees
for the Year Ended 31 March 2023

The trustees continue to develop strong governance and leadership, to promote the organisation's aims and outcomes and to develop sustainable services underpinned by clear strategic intentions.

Mrs Mary McLean was appointed as a trustee on 29 March 2023. Dr Elizabeth Vaughan resigned on 13 August 2022. Post year end Mrs Eileen Stuart was appointed as a trustee on 7 June 2023. The number of trustees have increased to six. We continue to seek an additional trustee to join the board.

Our strong senior management team, led by the Finance and Operations Directors, provide a professional and strategic based approach to delivering high quality services. Our team are trained to seek and respond to new opportunities and to diversify in any way which may improve the services we provide.

The charity carries surpluses earmarked for specific purposes in future years.

FINANCIAL REVIEW

Principal funding sources

Local authorities continue to be our main source of funding, most notably Renfrewshire and East Renfrewshire Councils.

Investment policy and objectives

Under the Memorandum and Articles of Association, the charitable company has the power to invest in any way the trustees wish. The trustees, having regard to the liquidity requirements of running the projects, have operated a policy of retaining funds in low risk investments, such as interest bearing bank accounts.

Reserves policy

The trustees have established a policy whereby they consider that the retained general reserves should include at least six weeks of the cash resources expended, which equates to approximately £200,000. At this level of cash reserves, the trustees feel that they would be able to continue the current level of service in the event of a slowdown in cash received from funding bodies.

The total level of unrestricted reserves at 31 March 2023 was £1,267,744 comprising of:-

Designated funds - £373,190

- £21,572 - house donations funds, to be spent on individual houses;
- £89,576 - home improvement funds
- £31,998 - voids provisions
- £230,044 - property purchase funds

together with other unrestricted funds of £894,554 representing the free funds of the charity.

Training Grant restricted reserves at 31 March 2023 were £9,381.

The trustees recognise that reserves have accumulated due to restrictions of COVID-19 relating to accommodation improvements. With the uplift of restrictions, a property improvement and maintenance programme is ongoing.

The trustees are prohibited from making any distribution under the Memorandum and Articles of Association.

Going concern

During the year, the Coronavirus pandemic has continued to have unparalleled outcomes for the organisation.

McFarlane Trust have continued to review and update their Covid 19 Contingency Plan, with the main priorities still being;

- Leadership systems, management style and focus
- Identify core/ essential services and what is required to maintain these
- Plan for workforce issues
- Mitigate financial risks and repercussions
- Identify new /updated legislative and regulatory compliance requirements

Despite the pandemic we have successfully maintained the loyalty of our employee base and continued to have adequate resources with which to support all our service users.

Report of the Trustees
for the Year Ended 31 March 2023

FUTURE PLANS

The creation of a business plan will be a focus for the organisation.

We intend to continue pushing forward with our property maintenance and upgrade program for our current supported living properties.

We will look to identify and purchase new accessible properties to allow us to expand our current provision of accommodation and support within our staffing capabilities.

We intend to research methods of increasing our brand exposure, whether by advertising or social media, around the local council areas, with a view to attract new services and employees.

Our plan to provide a service vehicle for each of our properties will allow us to offer additional travel opportunities to the people we support.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

McFarlane Trust Limited, operating under its Memorandum and Articles of Association, has conducted charitable activities in the United Kingdom since 1988. The board of trustees is responsible for the overall governance of the company.

Trustees

In accordance with the charitable company's Memorandums and Articles of Association, the board of trustees must have at least three members. Trustees are selected to bring the varied range of skills and experience necessary to provide governance to key management personnel.

Organisation

The board of trustees has overall responsibility for the strategic direction and administration of the charitable company. Day to day operations, the committee and decision-making processes and the business plan are managed by the director of finance and the director of operations.

Induction and training of new trustees

New trustees are briefed on their legal obligations under charity and company law, the Scottish Charity Regulator's guidance on trustee duties, and informed of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the briefing they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

All trustees give of their time freely and do not receive remuneration for their role. The appointed directors are remunerated commensurate with their role within the organisation. The remuneration of all staff is dependent on the skills, experience and qualifications they bring to their role and is matched as far as possible with local market levels.

Risk management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review and;
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The main risk, as is inherent in any organisation relying on government funding, is the ability to adapt and diversify in line with current political policies.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC115949 (Scotland)

Report of the Trustees
for the Year Ended 31 March 2023

Registered Charity number

007486

Registered office

Suite 902 Mile End Mill
12 Seedhill Road
Paisley
PA1 1JS

Trustees

W A Paterson
Miss J Robson
D G Haggart
Mrs A G Shanks
Dr E Vaughan (resigned 13.8.22)
Mrs E Stuart (appointed 7.6.23)
Ms M McLean (appointed 29.3.23)

Auditors

O'Haras Accountants Limited
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

Bankers

Bank of Scotland
8 Lochside Avenue
Edinburgh
EH12 9DJ

FUNDS HELD AS CUSTODIAN FOR OTHERS

The charity acts as custodian of certain service users' personal bank accounts. Procedures and checks are in place to safeguard such funds and to ensure these are only used for such purposes.

Report of the Trustees
for the Year Ended 31 March 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of McFarlane Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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
- 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.

AUDITORS

The auditors, O'Haras Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 3 November 2023 and signed on its behalf by:

D G Haggart - Trustee

Report of the Independent Auditors to the Trustees and Members of McFarlane Trust Ltd.

Opinion

We have audited the financial statements of McFarlane Trust Ltd. (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Trustees and Members of McFarlane Trust Ltd.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006; the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities and Trustees Investment (Scotland) Act 2005 requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the charity and the care sector in which it operates. We made enquiries of management as to whether there were any known or suspected instances of non-compliance with laws and regulations or fraud, and reviewed available board minutes for any indication of such matters.
- We gained an understanding of management's internal controls designed to prevent and detect irregularities in their day-to-day operations.
- We considered laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities and Trustees Investment (Scotland) Act 2005. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement components. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of relevant third parties.
- We considered how fraud might occur in this company and designed our tests accordingly.
- As in all audits, we also addressed the risk of management override of internal controls, including reviewing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees and Members of
McFarlane Trust Ltd.**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them in an auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John O'Hara (Senior Statutory Auditor)
for and on behalf of O'Haras Accountants Limited
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

21 November 2023

McFarlane Trust Ltd.**Statement of Financial Activities**
for the Year Ended 31 March 2023

	Notes	Unrestricted funds £	Restricted fund £	31/3/23 Total funds £	31/3/22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	37,692	(8,571)	29,121	92,419
Charitable activities					
Charitable activity	4	2,841,876	-	2,841,876	2,599,432
Investment income	3	841	-	841	-
Other income		31,971	-	31,971	-
Total		<u>2,912,380</u>	<u>(8,571)</u>	<u>2,903,809</u>	<u>2,691,851</u>
EXPENDITURE ON					
Charitable activities					
Charitable activity	5	<u>2,908,845</u>	<u>13,608</u>	<u>2,922,453</u>	<u>2,377,473</u>
NET INCOME/(EXPENDITURE)		3,535	(22,179)	(18,644)	314,378
RECONCILIATION OF FUNDS					
Total funds brought forward		1,264,209	31,560	1,295,769	981,391
TOTAL FUNDS CARRIED FORWARD		<u>1,267,744</u>	<u>9,381</u>	<u>1,277,125</u>	<u>1,295,769</u>

The notes form part of these financial statements

McFarlane Trust Ltd. (Registered number: SC115949)

Statement of Financial Position
31 March 2023

	Notes	31/3/23 £	31/3/22 £
FIXED ASSETS			
Tangible assets	12	1,093,971	854,982
CURRENT ASSETS			
Debtors	13	42,104	208,341
Cash at bank		853,109	681,394
		<u>895,213</u>	<u>889,735</u>
CREDITORS			
Amounts falling due within one year	14	(149,366)	(145,571)
NET CURRENT ASSETS		<u>745,847</u>	<u>744,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,839,818	1,599,146
CREDITORS			
Amounts falling due after more than one year	15	(562,693)	(303,377)
NET ASSETS		<u>1,277,125</u>	<u>1,295,769</u>
FUNDS	20		
Unrestricted funds		1,267,744	1,264,209
Restricted funds		9,381	31,560
TOTAL FUNDS		<u>1,277,125</u>	<u>1,295,769</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 3 November 2023 and were signed on its behalf by:

D G Haggart - Trustee

J Robson - Trustee

The notes form part of these financial statements

McFarlane Trust Ltd.**Statement of Cash Flows**
for the Year Ended 31 March 2023

	Notes	31/3/23 £	31/3/22 £
Cash flows from operating activities			
Cash generated from operations	1	188,292	260,232
Interest paid		<u>(22,146)</u>	<u>(13,525)</u>
Net cash provided by operating activities		<u>166,146</u>	<u>246,707</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(344,874)	-
Sale of tangible fixed assets		102,284	-
Interest received		<u>841</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(241,749)</u>	<u>-</u>
Cash flows from financing activities			
New loans in year		271,824	-
Loan repayments in year		<u>(24,506)</u>	<u>(44,495)</u>
Net cash provided by/(used in) financing activities		<u>247,318</u>	<u>(44,495)</u>
Change in cash and cash equivalents in the reporting period		<u>171,715</u>	<u>202,212</u>
Cash and cash equivalents at the beginning of the reporting period		<u>681,394</u>	<u>479,182</u>
Cash and cash equivalents at the end of the reporting period		<u>853,109</u>	<u>681,394</u>

The notes form part of these financial statements

**Notes to the Statement of Cash Flows
for the Year Ended 31 March 2023****1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	31/3/23 £	31/3/22 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(18,644)	314,378
Adjustments for:		
Depreciation charges	35,570	24,599
Profit on disposal of fixed assets	(31,971)	-
Interest received	(841)	-
Interest paid	22,146	13,525
Decrease/(increase) in debtors	166,237	(125,945)
Increase in creditors	15,795	33,675
Net cash provided by operations	<u>188,292</u>	<u>260,232</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank	<u>681,394</u>	<u>171,715</u>	<u>853,109</u>
	<u>681,394</u>	<u>171,715</u>	<u>853,109</u>
Debt			
Debts falling due within 1 year	(42,000)	12,000	(30,000)
Debts falling due after 1 year	<u>(303,377)</u>	<u>(259,316)</u>	<u>(562,693)</u>
	<u>(345,377)</u>	<u>(247,316)</u>	<u>(592,693)</u>
Total	<u>336,017</u>	<u>(75,601)</u>	<u>260,416</u>

Notes to the Financial Statements
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity meets the definition of a public benefit entity under FRS102. The charity has availed itself of paragraph 3 (3) of Schedule 4 of the Companies Act 2016 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

Going concern

The trustees continue to be satisfied that the charitable company has adequate resources to continue in operation for the next 12 months. Consequently, the trustees consider it appropriate to prepare the financial statements on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements include estimation of any impairment of the property values currently included in the financial statements including the estimation of their useful life and future economic benefits.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The charity's main source of income is from the provision of residential care in the community for adults with profound complex learning disabilities.

Income from government and other grants, whether 'capital' or 'revenue' grants is also recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

- Support costs comprises of overhead costs to support the charity. finance costs and accountancy and auditors remuneration.
- Direct costs of charitable activities comprise of costs incurred by the charity in the delivery of its day to day activities and services.
- Other costs relate to one off expenditure.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

Costs are allocated in relation to the different activities undertaken. Costs are apportioned in relation to the level of staff time and areas used for the different activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Impairment of other tangible fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately.

Taxation

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

Fund accounting

Unrestricted funds comprise donations and other incoming resources received or generated for charitable purposes. They are available for use at the discretion of the directors in furtherance of the company's general charitable objectives.

Designated funds comprise of unrestricted funds that have been set aside by the trustees for a particular purpose.

Restricted funds are created when donations and other incoming resources are made either for a particular house or purpose, the use of which is restricted to that house or purpose. Expenditure is charged to the Statement of Financial Activities when incurred.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount due less impairment losses for bad and doubtful debts.

Cash at bank and in hand

Cash at bank and cash in hand includes cash for the various homes run by the charity. There is an overdraft facility in place if needed.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023****1. ACCOUNTING POLICIES - continued****Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

2. DONATIONS AND LEGACIES

	31/3/23	31/3/22
	£	£
Donations	13,730	21,246
Grants	15,391	71,173
	<u>29,121</u>	<u>92,419</u>

Grants received, included in the above, are as follows:

	31/3/23	31/3/22
	£	£
Scottish Social Services Council (restricted)	(8,571)	18,000
Council grants re COVID	23,962	53,173
	<u>15,391</u>	<u>71,173</u>

3. INVESTMENT INCOME

	31/3/23	31/3/22
	£	£
Deposit account interest	841	-

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31/3/23	31/3/22
		£	£
Local Authority grants	Charitable activity	2,395,113	2,109,229
Housing benefits	Charitable activity	446,129	473,231
Other income	Charitable activity	634	16,972
		<u>2,841,876</u>	<u>2,599,432</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023****5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Charitable activity	<u>2,850,829</u>	<u>71,624</u>	<u>2,922,453</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

Direct costs comprise of:	£
Salary and pension costs	2,467,403
Property & overhead costs	376,944
Registration costs	<u>6,482</u>
	<u>2,850,829</u>

7. SUPPORT COSTS

Support costs comprise of:	£
Overhead costs to support the charity	35,570
Finance costs	28,854
Accountancy costs and auditors remuneration	<u>7,200</u>
	<u>71,624</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31/3/23 £	31/3/22 £
Auditors' remuneration	7,200	5,400
Depreciation - owned assets	35,572	24,599
Surplus on disposal of fixed assets	<u>(31,971)</u>	<u>-</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

No trustees received remuneration during the year.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023****9. TRUSTEES' REMUNERATION AND BENEFITS - continued****Trustees' expenses**

No trustees received expenses during the year.

10. STAFF COSTS

	31/3/23	31/3/22
	£	£
Wages and salaries	2,204,177	1,864,046
Social security costs	165,521	144,324
Other pension costs	97,705	76,564
	<u>2,467,403</u>	<u>2,084,934</u>

Key management personnel

During the year, two employees provided key management personnel roles within the charity. The benefits received were as follows:

	31/3/23	31/3/22
	£	£
Key managements' salaries	106,026	109,487
Key managements' social security	12,762	12,539
Key managements' pensions paid	26,710	10,872
	<u>145,498</u>	<u>132,898</u>

The average monthly number of employees during the year was as follows:

	31/3/23	31/3/22
Administration	3	3
Carc staff	104	99
	<u>107</u>	<u>102</u>

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	74,419	18,000	92,419
Charitable activities			
Charitable activity	<u>2,599,432</u>	<u>-</u>	<u>2,599,432</u>
Total	<u>2,673,851</u>	<u>18,000</u>	<u>2,691,851</u>
EXPENDITURE ON			
Charitable activities			
Charitable activity	<u>2,373,033</u>	<u>4,440</u>	<u>2,377,473</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
NET INCOME	300,818	13,560	314,378

RECONCILIATION OF FUNDS

Total funds brought forward	963,391	18,000	981,391
TOTAL FUNDS CARRIED FORWARD	<u>1,264,209</u>	<u>31,560</u>	<u>1,295,769</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2022	1,138,872	86,121	7,982	1,232,975
Additions	319,525	2,935	22,414	344,874
Disposals	(83,084)	-	(7,982)	(91,066)
At 31 March 2023	<u>1,375,313</u>	<u>89,056</u>	<u>22,414</u>	<u>1,486,783</u>
DEPRECIATION				
At 1 April 2022	294,120	75,998	7,875	377,993
Charge for year	27,508	2,460	5,604	35,572
Eliminated on disposal	(12,878)	-	(7,875)	(20,753)
At 31 March 2023	<u>308,750</u>	<u>78,458</u>	<u>5,604</u>	<u>392,812</u>
NET BOOK VALUE				
At 31 March 2023	<u>1,066,563</u>	<u>10,598</u>	<u>16,810</u>	<u>1,093,971</u>
At 31 March 2022	<u>844,752</u>	<u>10,123</u>	<u>107</u>	<u>854,982</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/23 £	31/3/22 £
Other debtors	172	29,647
Prepayments and accrued income	<u>41,932</u>	<u>178,694</u>
	<u>42,104</u>	<u>208,341</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023****14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/3/23	31/3/22
	£	£
Bank loans and overdrafts (see note 16)	30,000	42,000
Social security and other taxes	39,135	-
Accrued expenses	80,231	103,571
	<u>149,366</u>	<u>145,571</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/3/23	31/3/22
	£	£
Bank loans (see note 16)	<u>562,693</u>	<u>303,377</u>

16. LOANS

An analysis of the maturity of loans is given below:

	31/3/23	31/3/22
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>30,000</u>	<u>42,000</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>30,000</u>	<u>42,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>90,000</u>	<u>126,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	442,693	135,377

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/3/23	31/3/22
	£	£
Within one year	13,338	-
Between one and five years	<u>14,450</u>	<u>-</u>
	<u>27,788</u>	<u>-</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023****18. SECURED DEBTS**

The following secured debts are included within creditors:

	31/3/23	31/3/22
	£	£
Bank loans	<u>592,693</u>	<u>345,377</u>

The charity's bankers, Allica (previously Allied Irish Bank), have standard security over the properties of the charity, together with a bond and floating charge.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted fund	31/3/23 Total funds	31/3/22 Total funds
	£	£	£	£
Fixed assets	1,093,971	-	1,093,971	854,982
Current assets	885,832	9,381	895,213	889,735
Current liabilities	(149,366)	-	(149,366)	(145,571)
Long term liabilities	(562,693)	-	(562,693)	(303,377)
	<u>1,267,744</u>	<u>9,381</u>	<u>1,277,125</u>	<u>1,295,769</u>

20. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	1,102,991	3,535	(211,972)	894,554
Designated - House funds	143,603	-	(22,029)	121,574
Designated - Home Donations funds	17,615	-	3,957	21,572
Designated - Property funds	-	-	230,044	230,044
	<u>1,264,209</u>	<u>3,535</u>	<u>-</u>	<u>1,267,744</u>
Restricted funds				
Restricted grants	31,560	(22,179)	-	9,381
TOTAL FUNDS	<u>1,295,769</u>	<u>(18,644)</u>	<u>-</u>	<u>1,277,125</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	2,912,380	(2,908,845)	3,535
Restricted funds			
Restricted grants	(8,571)	(13,608)	(22,179)
TOTAL FUNDS	<u>2,903,809</u>	<u>(2,922,453)</u>	<u>(18,644)</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023****20. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	838,031	300,818	(35,858)	1,102,991
Designated - House funds	108,405	-	35,198	143,603
Designated - Home Donations funds	16,955	-	660	17,615
	<u>963,391</u>	<u>300,818</u>	<u>-</u>	<u>1,264,209</u>
Restricted funds				
Restricted grants	18,000	13,560	-	31,560
TOTAL FUNDS	<u>981,391</u>	<u>314,378</u>	<u>-</u>	<u>1,295,769</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,673,851	(2,373,033)	300,818
Restricted funds			
Restricted grants	18,000	(4,440)	13,560
TOTAL FUNDS	<u>2,691,851</u>	<u>(2,377,473)</u>	<u>314,378</u>

Name of fund	Description, nature and purpose of fund
<u>Unrestricted funds</u>	
General funds	All other reserves held by the charity.
Designated - House funds	Funds for the operation and maintenance of the houses
Designated - Home Donation fund	Funds received from donations to be spent on the individual homes.
Designated - Property fund	Funds for the purpose of future properties
<u>Restricted funds</u>	
Restricted grants	Funds for providing SVQ training to staff.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

22. SHARE CAPITAL

The company is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £50.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.