

**Company Registration No. SC014361**  
**Charity No. SC001960**  
**Registered in Scotland**

## **QUARRIERS**

### **Annual Report and Financial Statements**

**For the year ended 31 March 2018**

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26/10/2018  
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# **QUARRIERS**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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# **QUARRIERS**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS (TRUSTEES)**

Mr Thomas Scholes	Chair
Mrs Sheila Gillies	Vice Chair
Ms Linda Bailey	(up to 25 July 2018)
Ms Marjorie Calder	
Ms Patricia Cunningham	
Mr Graham Findlay	
Mr Alan Frizzell	
Mrs Trish Godman	
Professor Michael Greaves	
Mr Andrew Kubski	
Ms Heather McKinlay	(from 11 December 2017)
Mr Donald McRae	
Mr Nick Pascasio	(from 12 June 2017)
Mr George Peacock	
Mr David Watt	

#### **EXECUTIVE DIRECTORS (KEY MANAGEMENT PERSONNEL)\***

Mrs Alice Harper	Chief Executive
Mr Andrew Williamson	Service Director and Deputy Chief Executive
Mr Barry Ashcroft	Director of IT and Information Management
Mr Niall MacPherson	Director of Finance and Corporate Services

\*These directors, although designated as directors, are not statutory directors.

#### **COMPANY SECRETARY**

Mr Christopher Harwood

#### **REGISTERED OFFICE**

Quarriers  
Quarriers Village  
Bridge of Weir  
Renfrewshire PA11 3SX

#### **INDEPENDENT AUDITOR**

French Duncan LLP  
133 Finnieston Street  
Glasgow  
G3 8HB

**QUARRIERS  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**OFFICERS AND PROFESSIONAL ADVISERS (CONTINUED)**

**INVESTMENT MANAGERS**

Brewin Dolphin  
48 St Vincent Street  
Glasgow  
G2 5TS

**SOLICITORS**

Brechin Tindal Oatts  
48 St Vincent Street  
Glasgow  
G2 5HS

Brodies LLP Solicitors  
110 Queen Street  
Glasgow  
G1 3BX

DWF LLP  
110 Queen Street  
Glasgow  
G1 3HD

**PENSION SCHEME ADMINISTRATORS AND CONSULTANTS**

Thomson Dickson Consulting Ltd  
45 West Nile Street  
Glasgow  
G1 2PT

Punter Southall  
7 Castle Street  
Edinburgh  
EH2 3AH

**BANKERS**

Bank of Scotland  
Level 3  
110 St Vincent Street  
Glasgow  
G2 5ER

Barclays Commercial Bank  
Aurora  
1st Floor  
120 Bothwell Street  
Glasgow  
G2 7JT

# QUARRIERS

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### QUARRIERS SUB-COMMITTEES

The directors review the day-to-day business of the charity through the Audit Committee, the Finance & General Purposes Committee, the Services Committee, the Estates & Property Committee and the Remuneration Committee, which then report at the full meeting of the Board of Trustees, which meets six times per annum. The committees which have operated during the year and the directors who sat on them are as follows:

#### *Audit Committee*

The Audit Committee meets three times per year and reviews the effectiveness of internal controls, risk management systems and takes an overview of the work plans for internal compliance testing and health and safety. In addition, it monitors the relationship with the external auditor and reviews the annual financial statements before submission to the Board of Trustees.

#### Members

Mr David Watt	Chair
Ms Patricia Cunningham	
Mr Alan Frizzell	
Mr Donald McRae	

#### *Finance & General Purposes Committee*

The Finance & General Purposes Committee meets four times per year and maintains an overview of the strategies, policies and operations of the charity to secure effective management of Quarriers' financial and information technology resources.

#### Members

Mr Graham Findlay	Chair
Mr Andrew Kubski	
Mr Donald McRae	
Mr George Peacock	(up to 27 September 2017)
Mr Thomas Scholes	

#### *Services Committee*

The Services Committee meets six times per year and reviews inspection and operational reports to monitor the quality of services. The performance of the business development unit is also considered.

#### Members

Mrs Sheila Gillies	(Chair)
Ms Linda Bailey	(from 12 June 2017 to 25 July 2018)
Mrs Trish Godman	
Professor Michael Greaves	

#### *Estates & Property Committee*

The Estates & Property Committee was established in December 2017. The Committee meets four times per year and maintains an overview of the strategies, policies and operations of the charity to secure effective management of Quarriers' real estate resources.

#### Members

Mr George Peacock	Chair
Mr Andrew Kubski	
Mr Thomas Scholes	(from 29 January 2018)

#### *Remuneration Committee*

The Remuneration Committee meets at least once per year and approves pay awards or changes in terms and conditions for the Executive Directors. The Committee also oversees any major changes in employee benefits structures throughout Quarriers.

#### Members

Mr Thomas Scholes	Chair
Ms Linda Bailey	(up to 25 July 2018)
Mr Nick Pascazio	(from 12 June 2017)

# QUARRIERS

## TRUSTEES' REPORT

The trustees, who are also directors of the company, present their annual report (including the Strategic Report) on the affairs of the charity, together with the audited financial statements and auditor's report for the year ended 31 March 2018. The following items have been disclosed in the Strategic Report – use of financial instruments, policy for those with a disability, action on employee participation and future developments.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Documents

William Quarrier first opened a night refuge in Glasgow in 1871. The company was established under a memorandum of association which set out the object and charitable powers of the company.

Quarriers is a charitable company (Scottish Charities Registration Number SC001960) limited by guarantee and does not have a share capital. It is a public benefit entity. It was incorporated on 30 October 1926. The company is governed by the memorandum and articles of association. In the event of the company being wound up, each director and member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets.

### Organisational Structure

The statutory directors of the company are also charity trustees for the purposes of charity law and are known as members of the Board of Trustees. The terms directors and trustees are used interchangeably throughout this report. Quarriers' Board of Trustees is responsible for guarding the mission, objectives and values of the organisation, overseeing its direction and control and ensuring it receives appropriate information and advice to carry out its statutory and corporate responsibilities. It is also responsible for regularly reviewing the organisation's future plans and commitments and reviewing and mitigating any associated risks. The Board of Trustees meets a minimum of six times per year.

Day to day management of the organisation is delegated to the Chief Executive and Executive Directors.

The Board of Trustees operates five committees: the Audit Committee, the Finance & General Purposes Committee, the Services Committee, the Estates & Property Committee and the Remuneration Committee, all of which have clear terms of reference, and meet regularly throughout the year to govern the work of the Executive Directors. Composition and terms of reference of these committees is shown on page 3.

The charitable company has three subsidiaries whose results are not consolidated. Further details of the performance are given in note 19.

### Trustees' recruitment, induction and training

Trustees are recruited following best practice guidelines as set out in the National Council of Voluntary Organisations (NCVO): *The Good Trustee Guide* and regulators' requirements relating to '*fit and proper assessment*'. The aim is to have an inclusive and diverse board.

All Trustees should be familiar with the practical work of the charity and are encouraged to visit projects, and see the varied work Quarriers undertakes. New members receive a detailed briefing by the Chief Executive together with an induction pack which includes legal, financial and strategic information. Quarriers provides a training programme which introduces the Trustees to the organisation, its staff and services, the people Quarriers supports and the role of a Board of Trustees member. All Trustees are encouraged to attend training in both governance and specific areas of interest and relevance to their role within the charity.

### Directors (Trustees)

The Trustees who served during the year and to the date of this report, and any changes in the composition of the Board during the year, are as shown on page 1. Trustees who have completed their term on the Board can be re-elected by nomination and approval by the majority of existing Trustees.

As authorised by the governing documents, indemnity insurance has continued to be purchased during the year for Trustees and officers to protect them from loss.

## **QUARRIERS**

### **TRUSTEES' REPORT (CONTINUED)**

#### **AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint French Duncan LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Trustees and signed on behalf of the Board of Trustees



Mr Thomas Scholes

27 August 2018

# QUARRIERS

## STRATEGIC REPORT

### MISSION AND VISION

2017/18 was the first year of Quarriers new *Transforming Lives Strategy* which sets out our ambition of becoming the leading charity for delivering community-based health and social care solutions by 2020. The Strategy reinforces our mission of transforming lives: enabling the People We Support to realise their true potential.

### SCOTTISH CHILD ABUSE INQUIRY

Quarriers is a core participant the Scottish Child Abuse Inquiry. The Inquiry is taking evidence from children's residential care establishments in Scotland spanning the period of 1930-2014.

Historically, Quarriers has supported over 30,000 children. Whilst the majority of these children have gone on to lead successful and happy lives, some children did not receive the standard of care they deserved and suffered abuse whilst they were in our care. We acknowledge that this has happened and therefore we have made a sincere and unreserved apology to those affected. We are co-operating fully with the Inquiry whose aims are to allow the survivors' voice to be heard and to ensure lessons are learnt. The Inquiry is likely to continue for at least another two years.

### SAFEGUARDING

Quarriers is committed to ensuring that the welfare of every person that we support is paramount. Clear safer recruitment procedures, whistleblowing procedures, safeguarding policies and reporting mechanisms are in place and are regularly reviewed and updated. Staff complete a robust programme of mandatory training and receive regular supervision. A dedicated Safeguarding and After Care Team was established in October 2017. The prominence of the SCAI along with the Independent Inquiry into Child Sexual Abuse in England and the recent issues faced by Oxfam and Save the Children have only served to further highlight the importance of robust safeguarding processes.

Quarriers Board of Trustees and the Executive Team reviews the outcomes and learning points from Inquiries relating to safeguarding to ensure that our policies, procedures and training reflect safeguarding best practice.

The Office of the Scottish Charity Regulator (OSCR) and the Scottish Council for Voluntary Organisations (SCVO) have recently published guidance for charities and Trustees on safeguarding vulnerable beneficiaries. This guidance has been circulated to Quarriers Trustees and Senior Management Teams. This guidance is included in our Board of Trustees Manual, Trustees Code of Conduct and Trustees induction and training on safeguarding.

### AIMS AND OBJECTIVES

**Our aims and objectives are split across five separate themes: -**

- 1. Personalised Support – we aim to be the care provider of choice and be recognised for being person-centred and outcomes focused in all we do.**
- 2. Our staff – we aim to be the social care employer of choice and invest in our workforce.**
- 3. Achieving Excellence - we embrace a culture of continuous improvement surpassing recognised standards and outcomes whilst transforming the lives of those we support.**
- 4. Development and sustainability – we continue to develop sustainable services that benefit those we support and their communities.**
- 5. Impact – we aim to maximise our impact in the communities in which we provide services.**

### ACHIEVEMENTS AND PERFORMANCE

We achieved or exceeded 77% of our performance targets across these five themes resulting in the provision of direct and indirect support to over 5,000 people across a range of care models and geographic areas - see table below. Of particular note was the fact that we achieved all our Personalised Support targets and 80% of our Staff targets, including maintaining the Investors in People Gold accreditation.

In the last year, 85% of our Adult Services scored Good and above, 100% of our Children, Family and Young Person Services scored Good and above, with an overall percentage of 89% of all our services scoring Good and above. In addition, our William Quarrier Scottish Epilepsy Centre won the Primary Care and Diagnostics category at the prestigious Laing Buisson Awards.

During the year, we published our Gender Pay Gap report, which confirmed the Quarriers pay gap as being significantly lower than the national average. This baseline report now allows us to progress towards eliminating the pay gap completely. We implemented pay rises across all staff groups for the first time since 2011. This included an increase in the Scottish Living Wage to £8.45 per hour.

# QUARRIERS

## STRATEGIC REPORT

We continued to invest in our IT systems during the year with Project Evolution, our company-wide management information system, entering the final stage of implementation. Completed phases to date include the Human Resources module which is now beginning to deliver efficiency savings.

The Quarriers operating model remains heavily dependant on public sector expenditure and, following a detailed options appraisal, we took the difficult decision to close our services in England. This followed many years of cuts in contracted funding and increases in regulatory costs.

	2018 No.	2017 No.	Movement	Comment
<b>Adult Disability</b>				
No. of people supported in their own homes and residential care homes	314	308	2%	Expansion of services in South Ayrshire and Renfrewshire.
No. of days of adult respite care provided	6,886	7,096	(3%)	Occupancy levels not achieved.
No. of adult family placements	27	27	-	
<b>Children &amp; Families</b>				
No. of young people with a disability supported in residential services	6	6	-	
No. of days of residential respite care provided for children with disabilities	2,356	2,515	(6%)	Closure of Chavey Down service in November 2016.
No. of children with a disability utilised family-based short break services	11	18	(39%)	A number of children transitioned to adult services.
No. of children supported by family support services	543	302	80%	New grant funding for Ruchazie Family Centre.
No. of children supported by flexible childcare at home services	106	175	(39%)	Closure of Steps & Stages service in March 2017.
No. of child fostering placements supported	10	8	25%	Expansion of Fostering service.
No. of adult carers directly benefited	2,421	2,094	16%	Full year of Aberdeenshire Adult Carers service.
No. of young carers directly benefited	332	312	6%	Full year of Aberdeenshire Young Carers service.
No. of adults supported by drug and alcohol service	915	539	70%	Growth in Arrows service.
<b>Epilepsy Services</b>				
No. of patients admitted to Scottish Epilepsy Centre	99	133	(26%)	Occupancy levels not achieved.
No. of outpatients treated at Scottish Epilepsy Centre	150	151	(1%)	
No. of people supported in small care homes and supported living services	78	77	1%	
Total no. of people supported by Epilepsy Fieldwork services in North East	417	251	66%	Full year of Big Lottery grant funding in 2017/18.
<b>Young Adults</b>				
No. of nights supported accommodation provided	26,922	31,249	(14%)	Lower occupancy levels due to property refurbishment and referral issues.
No. of young people supported in their own tenancies	57	63	(10%)	

The 2017 figures in the table have been adjusted to exclude services in England which closed during the year.

# **QUARRIERS**

## **STRATEGIC REPORT**

### **FINANCIAL REVIEW**

#### **Results for the year**

Total income decreased by £0.7m to £41.5m (2017: £42.2m) due primarily to the decision to withdraw from England. This was offset by incremental increases in local authority funding in respect of the Scottish Living Wage (SLW). In addition, property disposals generated a gain on sale of £0.2m (2017: £Nil). New business won during the year included the Borders Emotional Health and Wellbeing service which looks to gain, improve or maintain emotional skills and resilience in young people aged 10-18 across the Scottish Borders.

Despite seeing a drop in individual giving, the Fundraising team exceeded its income generation target delivering a total of £2.8m (2017: £2.8m) against a budget of £2.3m (2017: £2.6m), £1.7m of which is included within Donations and legacies and the balance within Charitable activities.

Total expenditure increased by £0.2m to £40.8m (2017: £40.7m). Within this figure, expenditure relating to donations and legacies decreased by £0.3m to £0.5m (2017: £0.8m) due to the lack of a new donor recruitment campaign in the year. Expenditure on charitable activities increased by £0.4m to £39.9m (2017: £39.5m).

There was an actuarial gain on the defined benefit pension scheme of £2.2m (2017: loss of £4.6m) resulting in a net positive movement of funds for the year of £3.2m (2017: £2.2m negative movement).

#### **Going concern**

Having considered forecast results including reasonably possible downside sensitivities, together with banking facilities available to the charity, the directors are satisfied that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Financial instruments and credit risk**

The charity's principal financial assets are bank balances and investments. The charity's only significant financial liabilities are bank term loans of £0.8m (2017: £1.1m). The charity's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The charity has no significant concentration of credit risk, with exposure spread over a large number of people supported. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The investment portfolio is spread across a range of listed securities.

#### **Investments**

Quarriers investments are held in a combination of investment funds comprising equities, fixed income securities and cash. Investment policy is reviewed annually and performance against target set is reviewed quarterly. The charity maintains an Ethical Investment Policy which prohibits direct investment in businesses where the main activities include tobacco, aerospace or defence industries; an additional constraint prohibits investment in companies where there is any sign concerning the use of child labour. The portfolio continues to be managed on a total return basis with the objective of at least maintaining its value in real terms while meeting the requirement for increased income. During the year £0.4m of investments at cost were disposed of and £0.7m of additions were made. This contributed to an overall 1.5% increase in market value to £5.8m (2017: £5.7m).

#### **Pensions**

The deficit on the defined benefit pension scheme, calculated in accordance with FRS102, reduced in the year under review to £8.2m, representing an improvement of £2.8m (25%) on the prior year. The major factors contributing to this improvement were a rise in corporate bond yields and lower longevity assumptions, both of which lead to a lower valuation of Scheme liabilities. On 31<sup>st</sup> August 2016 the Board agreed to close the defined benefit pension scheme to future accrual, with affected members being transferred to a defined contribution scheme.

#### **Reserves**

The Directors recognise the need to hold reserves in order to provide the necessary working capital to carry out our activities and to provide protection against adverse financial circumstances in the future. In line with the majority of social care providers, it is our policy to retain an amount equivalent to 12 weeks' operational expenditure in unrestricted reserves. Total unrestricted reserves at 31 March 2018 amounted to £15.4m representing approximately 20 weeks (2017: 15 weeks) at the current level of annual expenditure of £40.8m. Having reviewed the level of unrestricted reserves in this context, the directors believe them to be sufficient to meet future requirements.

Unrestricted funds increased by £3.8m (2017: £2.4m reduction) primarily due to the improvement in the defined benefit pension scheme noted above. Restricted funds have reduced by £0.6m (2017: £0.2m increase).

# **QUARRIERS**

## **STRATEGIC REPORT**

In setting the reserves policy the Directors have established as designated reserves, monies that are committed in respect of planned expenditure or liabilities that are likely to crystallise. Restricted funds comprise funds that are subject to specific conditions imposed by the donor on how these funds can be spent.

### **People with disabilities**

It is the policy of Quarriers to employ people with disabilities whenever possible, and to meet the legal requirements concerning the employment of people with disabilities. Quarriers is a Positive about Disability Employer and conducts annual interviews with employees who have a disability in order to assess their needs and provide them with support in the workplace. The average number of people employed with Disability Discrimination Act related conditions is 81 (2017: 95).

### **Employee involvement**

Facilities for the provision of information to employees and for consultation on matters of concern are available through the Human Resources Department. A total of 89 staff (2017: 80) have been involved in developing internal standards during the year. Additionally, the organisation has implemented its Health and Well Being Strategy, progressed Healthy Working Lives accreditation, committed to the See Me campaign and engages on a regular basis as part of its recognition agreement with Unison.

### **Volunteers**

Quarriers is committed to the involvement of volunteers across the organisation and works with over 400 volunteers. Volunteers add value to the organisation and make a real difference to the people we support. Volunteering within Quarriers continues to grow year on year and Quarriers is proud to have the Investing in Volunteers UK Quality Award.

### **Funds held as custodian**

Quarriers holds funds on behalf of people we support who are unable to open bank accounts. These balances amount to £0.3m (2017: £0.2m) and are held in a separate bank account. These amounts are accounted for within cash at bank and creditors in the Balance Sheet.

## **PLANS FOR FUTURE PERIODS**

It is anticipated that the next 12 months will be marked by significant change with health and social care budgets coming under increasing pressure. Changes in the way sleepover shifts are funded are likely to impact our services as the Scottish Government transitions towards paying Scottish Living Wage for all care hours. This will inevitably mean further service reviews. In response, we will look to position Quarriers as the employer of choice for social care workers with the objective of improving staff recruitment and retention.

We will continue to invest in our management information systems and business development team.

We aim to maintain our reputation as a high quality provider through continuous improvement, improved governance and by gaining external recognition via improved regulator ratings, awards and accreditation.

## **KEY MANAGEMENT REMUNERATION**

It is the policy of Quarriers to ensure that Executive Directors are fairly rewarded for their contribution to organisational objectives. The remuneration of Executive Directors comprises annual salary, car allowance and employer pension contribution. Annual salaries are regularly benchmarked against industry averages.

## **PRINCIPAL RISKS**

The Board of Trustees reviews on an annual basis the major risks to which the charity may be exposed and the systems which have been established to mitigate risks. The key components of Quarriers' risk management include:

- A formal risk register which quantifies the likelihood and impact of business risks and the consequential actions required to mitigate those risks;
- A documented framework of delegated authority with procedures for reporting decisions;
- An approved annual budget against which progress is reported on a regular basis, including monthly financial reporting of actual results compared with budgets and forecasts; and
- Clear policies on whistleblowing, health and safety and complaints to ensure compliance with statutory regulations.

## QUARRIERS

### STRATEGIC REPORT

In addition to the Scottish Child Abuse Inquiry noted above, the key risks identified by the Directors are as follows: -

Risk	Mitigation
Failure to protect vulnerable groups appropriately leading to breach of contract with local authorities	Mandatory training implemented; Code of Conduct and enhanced Disclosure checks implemented; Medication errors tool developed.
Failure of staff to adhere to internal or external standards and quality assurance mechanisms not working appropriately	Robust mandatory training; Whistleblowing policy and Disciplinary procedures in place supplemented by regular internal audits to ensure compliance.
Failure to adequately ensure the health, safety and welfare of employees and those Quarriers supports (including vicarious liability risk in respect of third parties).	Mandatory training; safer recruitment procedures adopted and preventative maintenance programme in place.
Failure of business IT infrastructure	Resilience built in through hardware and software layers; development of mirrored servers at alternative site; mobile air conditioning unit implemented in server room; UPS re-configured.
Failure to manage material unbudgeted property maintenance and/or dilapidations liability	Legal diligence, third party assurance reviews and close relationships with local authorities.

The controls and mitigating actions against each risk are designed to ensure that the Directors are satisfied that there are no risks that pose a significant threat to the organisation. Robust governance procedures are in place through the Board of Trustees, Sub-Committees and management structures.

The Trustees' Report, including the Strategic Report, was approved by the Board and signed on its behalf by:



Mr Thomas Scholes

Chair of Trustees

27 August 2018

## **QUARRIERS**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The trustees (who are also directors of Quarriers for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit 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;
- observe the methods and principles in the Charity SORP;
- make judgements and accounting 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 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.

The directors 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF QUARRIERS**

## **Opinion**

We have audited the financial statements of Quarriers (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities (including the income and expenditure account), the Balance Sheet, the Cash Flow Statement 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 2018, 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.

## **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 Auditor's 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditors' report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF QUARRIERS

## Matters on which we are required to report by exception

In the light of our 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 Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement (set out on page 11), the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

## Auditor's 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 regulations made under those Acts.

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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 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 trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Antony J Sinclair CA (Senior Statutory Auditor)

For and on behalf of

**French Duncan LLP**

Chartered Accountants and Statutory Auditors  
133 Finnieston Street, Glasgow, G3 8HB

17 October 2018

French Duncan LLP are eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# QUARRIERS

## STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) For the year ended 31 March 2018

		Unrestricted funds			Total 31 March 2018	Total 31 March 2017
	Note	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	£'000	£'000
<b>Income from:</b>						
Donations and legacies	3	1,572	-	114	1,686	1,855
Charitable activities	4	32,969	-	5,857	38,826	39,609
Other trading activities	5	188	-	-	188	184
Investments	6	591	-	-	591	518
Gain on sale of fixed assets		218	-	(5)	213	-
<b>TOTAL INCOME</b>		<b>35,538</b>	<b>-</b>	<b>5,966</b>	<b>41,504</b>	<b>42,166</b>
<b>Expenditure on:</b>						
Raising donations and legacies	7	482	-	-	482	792
Charitable activities	8	34,036	-	5,863	39,899	39,454
Other trading activities	9	68	-	-	68	88
Investment management costs	10	382	-	-	382	335
<b>TOTAL EXPENDITURE</b>		<b>34,968</b>	<b>-</b>	<b>5,863</b>	<b>40,831</b>	<b>40,669</b>
<b>Net income before investment gains</b>		<b>570</b>	<b>-</b>	<b>103</b>	<b>673</b>	<b>1,497</b>
<b>Net gains on investments</b>		<b>258</b>	<b>-</b>	<b>-</b>	<b>258</b>	<b>899</b>
<b>NET INCOME</b>		<b>828</b>	<b>-</b>	<b>103</b>	<b>931</b>	<b>2,396</b>
<b>Transfers between funds</b>	24	918	(190)	(728)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	25	2,220	-	-	2,220	(4,594)
<b>NET MOVEMENT IN FUNDS</b>		<b>3,966</b>	<b>(190)</b>	<b>(625)</b>	<b>3,151</b>	<b>(2,198)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward at 1 April		6,689	4,921	3,639	15,249	17,447
Net movement in funds for the year		3,966	(190)	(625)	3,151	(2,198)
<b>Total funds carried forward 31 March</b>		<b>10,655</b>	<b>4,731</b>	<b>3,014</b>	<b>18,400</b>	<b>15,249</b>

There were no other recognised gains or losses other than those listed above in arriving at the net income for the year.  
All income and expenditure derives from continuing activities.

# QUARRIERS

## BALANCE SHEET As at 31 March 2018

	Note	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>			
Investment properties	17	5,502	5,418
Other tangible fixed assets	17	10,847	12,349
Intangible fixed assets	18	1,190	898
		<hr/>	<hr/>
		17,539	18,665
Investments	19	5,806	5,720
		<hr/>	<hr/>
		23,345	24,385
<b>CURRENT ASSETS</b>			
Debtors	20	3,774	4,189
Cash at bank and in hand		3,695	2,184
		<hr/>	<hr/>
		7,469	6,373
<b>CREDITORS: amounts falling due within one year</b>	21	(3,539)	(3,652)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		3,930	2,721
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		27,275	27,106
		<hr/>	<hr/>
<b>CREDITORS: amounts falling due after more than one year</b>	21	(641)	(835)
		<hr/>	<hr/>
<b>NET ASSETS EXCLUDING PENSION DEFICIT</b>		26,634	26,271
		<hr/>	<hr/>
<b>PENSION DEFICIT</b>	25	(8,234)	(11,022)
		<hr/>	<hr/>
<b>NET ASSETS</b>		18,400	15,249
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
		2018	2017
		£'000	£'000
Unrestricted funds			
- General reserve	24	18,889	17,711
- Pension scheme reserve	24	(8,234)	(11,022)
- Designated reserves	24	4,731	4,921
		<hr/>	<hr/>
		15,386	11,610
Restricted funds	24	3,014	3,639
		<hr/>	<hr/>
<b>TOTAL CAPITAL AND RESERVES</b>		18,400	15,249
		<hr/>	<hr/>

The financial statements of Quarriers, registered company number SC014361, were approved and authorised for issue by the Board of Trustees on 27 August 2018.

Signed on behalf of the Board of Trustees by

  
Mr Thomas Scholes

  
Mr David Watt

## QUARRIERS

### CASH FLOW STATEMENT For the year ended 31 March 2018

	Notes to the cash flow statement	2018 £'000	2017 £'000
<b>Net cash provided by operating activities</b>	(i)	770	1,722
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments (note 6)		591	518
Proceeds from the sale of fixed assets		1,593	-
Purchase of fixed assets (notes 17 and 18)		(1,049)	(1,099)
Proceeds from sale of investments		567	387
Purchase of investments (note 19)		(682)	(834)
<b>Net cash from/used in investing activities</b>		1,020	(1,028)
<b>Cash flows from financing activities:</b>			
Repayments of borrowing (note 21)		(279)	(200)
<b>Net cash used in financing activities</b>		(279)	(200)
<b>Net increase in cash</b>		1,511	494
<b>Cash at beginning of year</b>		2,184	1,690
<b>Cash at end of year</b>		3,695	2,184

Total cash and cash equivalents are shown in cash at bank and in hand.

#### NOTES TO THE CASH FLOW STATEMENT

##### (i) RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £'000	2017 £'000
Net income per Statement of Financial Activities	931	2,396
Adjustments for:		
Depreciation charges (note 17)	1,082	1,178
(Gains) on investments	(258)	(899)
Dividends, interest and rents from investments (note 6)	(591)	(518)
(Profit) on the sale of fixed assets	(213)	-
Decrease/(increase) in debtors	415	(185)
(Decrease) in creditors	(28)	(301)
Pension – net interest on net defined benefit liability (note 25)	265	223
Pension – difference between service cost and contributions (note 25)	(833)	(172)
<b>Net cash inflow from operating activities</b>	770	1,722

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015; and the Companies Act 2006.

The principal accounting policies adopted are described below.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention, with the exception of investments which are valued at fair value at the balance sheet date and investment properties which are held at fair value.

#### **Basis of preparation**

The charity's activities and principal risks are described in the strategic report. Having considered forecast results including reasonably possible sensitivities, together with banking facilities available to the charity, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Group financial statements**

The company does not prepare consolidated group financial statements as it is entitled for the year ended 31 March 2018 to the exemption conferred by Section 405 of the Companies Act 2006, as the exclusion of the subsidiary companies is not considered by the directors to be material for the purpose of giving a true and fair view. Information is therefore presented for the individual company not its group. The principal activities, net assets and results of the subsidiary companies are detailed in note 19.

#### **Donations, legacies and other similar income**

Donations and other similar income are recognised in the period in which they are received.

Legacies are recognised as income when there is legal entitlement, probable certainty of receipt and the amount can be quantified with reasonable accuracy. Receipt of a legacy is only considered probable when the amount can be measured reliably and notification has been received from the executor of their intention to make a distribution.

Income from charitable activities is recognised when earned.

#### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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 an appropriate basis.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Grants

Grants of both a revenue and capital nature, including government grants, are credited to the statement of financial activities in the period to which they relate. Grants are deferred and recorded within deferred grant income where the grant conditions state that the funding relates to a future period. Such grants will be repayable if the restrictions on the income's use are not met. These preconditions should be met in future accounting periods.

#### Tangible fixed assets and depreciation

Tangible fixed assets (excluding investment properties) are recorded at original cost and are written off over their useful economic lives on a straight line basis as follows:

Buildings	- 20 to 50 years
Building improvements	- up to 10 years
Motor vehicles	- 3 to 4 years
Plant & equipment	- 3 to 10 years
Fixtures & fittings	- 3 to 10 years

Land is not depreciated.

Assets in the course of construction are not depreciated until brought into use.

Tangible fixed assets are capitalised in the year of purchase and depreciated over their useful economic lives or, in the case of finance leased assets, over the term of the lease, if shorter. All repairs and maintenance expenditure on fixed assets is charged to the statement of financial activities.

#### Intangible fixed assets

Intangible fixed assets are recognised where it is probable that there will be a future economic benefit and that this can be reliably measured. These assets are written off over their useful economic life on a straight line basis as follows:

System development	- 10 years
--------------------	------------

This is the period over which the charity expects to derive benefit from the asset. Assets are not amortised until the system becomes operational, subject to annual impairment.

#### Investment properties

In accordance with SORP 2015, investment properties held for their investment potential are recorded at fair value. Realised and unrealised gains and losses are included in the Statement of Financial Activities. No provision is made for depreciation of investment properties.

The directors review the carrying value of investment properties at the balance sheet date. This involves an assessment of future rental income, lease expiry dates and benchmarking against the Nationwide House Price Index.

#### Investments

Investments are measured at fair value, with realised and unrealised gains and losses included in the Statement of Financial Activities. Unlisted investments held in the subsidiary companies are valued at cost as there is no reliable measure of fair value.

#### Leasing and hire purchase commitments

Operating lease rentals payable/(receivable) are charged/(credited) to the statement of financial activities in equal annual amounts over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Pensions

For the defined benefit scheme the amounts charged to the Statement of Financial Activities are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the Statement of Financial Activities and included within direct costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Statement of Financial Activities.

The defined benefit scheme is funded, with the assets of the scheme held separately from those in the company, in a separate trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit pension liability is presented separately after other net assets on the balance sheet. The contribution levels have been determined by the scheme actuary.

The company also operates a defined contribution stakeholder scheme. The assets of the scheme are held separately from those of the company by an insurance company under the stakeholder contract. Contributions payable for the year are charged to the statement of financial activities in that period.

#### Statement of Financial Activities

Certain project funding surpluses are recorded within restricted reserves or general reserves depending on the nature of the related funding.

Transfers to designated funds occur where unrestricted funds have been allocated for certain specific purposes upon internal approval.

Other transfers between funds occur where restricted income has been insufficient to cover the associated expenditure and income is transferred from general funds to meet the shortfall.

#### Taxation

Quarriers is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. It is currently believed that there is no liability to UK corporation tax or capital gains tax. The charitable company does not receive an exemption on Value Added Tax and irrecoverable VAT is accounted for as part of resources expended and is reported as part of the expenditure to which it relates.

#### 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand included cash and short term highly liquid investments. 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 trade discounts due.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 March 2018**

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the charity's accounting policies, which are described in note 1, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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 charity operates both a defined benefit pension scheme providing benefits based on final pensionable earnings and a defined contribution scheme. The determination of any pension scheme surplus/deficit is based on assumptions determined with independent actuarial advice. The assumptions used include discount rate, inflation, pension increases, salary increases, the expected return on scheme assets and mortality assumptions. Refer to note 25 for details of post retirement benefits.

A new integrated business system is in development, which is designed to realise efficiency savings across the organisation. The costs have been capitalised as an intangible fixed asset and will be amortised over the useful economic life of the system. The directors review the carrying value and useful economic life of intangible assets at the balance sheet date.

In accordance with SORP 2015, investment properties held for their investment potential are recorded at fair value. Realised and unrealised gains and losses are included in the Statement of Financial Activities. No provision is made for depreciation of investment properties. The directors review the carrying value of investment properties at the balance sheet date. This involves an assessment of future rental income, lease expiry dates and benchmarking against the Nationwide House Price Index.

**3. INCOME FROM DONATIONS AND LEGACIES**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Individual giving	1,029	1,204
Community and corporate fundraising	83	84
Legacies	490	459
Training grants	20	40
Trusts and grant making bodies	64	68
	<b>1,686</b>	<b>1,855</b>

In addition, grants awarded to restricted projects amounting to £1,032,000 (2017 - £892,000) were applied for by the fundraising department and are shown within incoming resources from charitable activities.

In 2017, £1,735,000 of income from donations and legacies was attributable to unrestricted funds and £120,000 was attributable to restricted funds.

## QUARRIERS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

#### 4. INCOME FROM CHARITABLE ACTIVITIES

	Local authority fees £'000	Grants £'000	Other funding £'000	Total 2018 £'000	Total 2017 £'000
Adult disability	20,237	152	128	20,517	20,261
Children and families	3,105	3,690	49	6,844	7,916
Epilepsy	5,945	329	185	6,459	6,471
Young adults	3,565	1,397	44	5,006	4,961
	<u>32,852</u>	<u>5,568</u>	<u>406</u>	<u>38,826</u>	<u>39,609</u>

In 2017, £32,763,000 of income from charitable activities was attributable to unrestricted funds and £6,846,000 was attributable to restricted funds.

Of the £5,568,000 (2017 - £5,565,000) grants recognised during the year, £4,547,000 (2017 - £4,279,000) related to grant income from Local Authorities and the Scottish Government.

The following grants were received during the current year and the prior year and treated as restricted funds:

	2018 £	2017 £
Bank of Scotland Foundation (Large Grants)	-	49,698
BBC Children in Need	33,014	27,801
Big Lottery Fund (Investing in Communities)	110,100	107,821
Big Lottery Fund (Investing in Communities)	220,818	150,012
Big Lottery Fund (Investing in Communities)	134,713	66,160
Comic Relief	20,847	20,847
Corra Foundation (Drugs Initiative)	77,089	80,339
Corra Foundation (Drugs Initiative)	-	24,562
Creative Scotland	14,390	-
Glasgow City Council Integrated Grant Funding	105,801	105,801
Glasgow City Council Integrated Grant Funding	57,500	57,500
Glasgow City Council Integrated Grant Funding	128,529	128,529
Hollywood Trust	13,200	16,500
Inspiring Scotland	39,966	16,111
Life Changes Trust (Befriending and Peer Support)	18,731	29,936
NHS Scotland (Test of Change)	-	5,658
Scottish Government Children and Families Intervention Fund	36,000	36,000
Scottish Government Children and Families Intervention Fund	35,008	-
Scottish Government Digital Challenge Fund	-	4,268
Scottish Government Self Directed Support Innovation	-	48,092
Scottish Government Short Breaks Fund (Creative Breaks)	28,268	27,479
Scottish Government Short Breaks Fund (Creative Breaks)	6,335	-
Scottish Government Short Breaks Fund	-	12,698
Scottish Government Short Breaks Fund	-	20,588
Scottish Government Short Breaks Fund	-	15,019
Scottish Government Technology Enabled Care	85,000	185,000
Scottish Power Energy Peoples Trust	3,340	30,062
See Me	25,000	-
Spifox	-	12,998
The Robertson Trust	12,000	-
The R S MacDonald Charitable Trust	19,316	-
UK Government	121,839	-
Learning & Development Initiative	-	49,698
Opt-in Early Years	33,014	27,801
Quarriers Early Years Intervention	110,100	107,821
Epilepsy Fieldwork	220,818	150,012
Coaching for Life	134,713	66,160
Peri-natal Mental Health – NE Glasgow	20,847	20,847
Arrows, Moray	77,089	80,339
Moray Young Carers	-	24,562
Inclusion Oh Yellow Music Project	14,390	-
Family Support Service	105,801	105,801
Quarriers Literacy Project	57,500	57,500
Opt In South West Education Support	128,529	128,529
Activity Co-ordinator & Refurbishment	13,200	16,500
Intandem Mentoring Programme	39,966	16,111
Dementia Befriending Service	18,731	29,936
Quarriers TEC project	-	5,658
Children and Families Inclusion	36,000	36,000
Brief Interventions– North East Glasgow	35,008	-
Go4IT	-	4,268
Linn Park	-	48,092
Time to Live – Aberdeenshire/Moray	28,268	27,479
Riverview and Mavisbank	6,335	-
Fun Club (Campsie View)	-	12,698
Adventure Breaks	-	20,588
Stay and Play	-	15,019
Adult Services	85,000	185,000
Energy Efficiency Advisor	3,340	30,062
Mental Health – Glasgow North	25,000	-
Ruchazie Centre Garden Improvements	-	12,998
Sexual Exploitation Counsellor	12,000	-
Epilepsy Practice Development Nurse	19,316	-
Peri-natal Mental Health – NE Glasgow	121,839	-

## QUARRIERS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2018

#### 5. INCOME FROM OTHER TRADING ACTIVITIES

	2018 £'000	2017 £'000
Major fundraising events	100	106
Conferences, courses and venue hire	88	78
	<u>188</u>	<u>184</u>

In 2017, all income from trading activities was attributable to unrestricted funds.

#### 6. INCOME FROM INVESTMENTS

	2018 £'000	2017 £'000
Dividends	163	155
Bank interest	2	2
Property rental income	426	361
	<u>591</u>	<u>518</u>

In 2017, all income from investments was attributable to unrestricted funds.

#### 7. EXPENDITURE ON RAISING DONATIONS AND LEGACIES

	2018 £'000	2017 £'000
Individual giving	317	615
Community and corporate fundraising	37	58
Legacies	9	5
Trusts and grant making bodies	30	24
Awareness raising	89	90
	<u>482</u>	<u>792</u>

£Nil (2017 - £332,000) of individual giving expenditure relates to upfront payments for donor recruitment. The related income will be received over many years in the future.

In 2017, all expenditure on raising donations and legacies was attributable to unrestricted funds.

#### 8. EXPENDITURE ON CHARITABLE ACTIVITIES

	2018 Direct costs £'000	2018 Support costs £'000	2018 Total £'000	2017 Direct costs £'000	2017 Support costs £'000	2017 Total £'000
Adult disability	20,451	1,217	21,668	19,699	1,054	20,753
Children and families	6,255	302	6,557	7,207	320	7,527
Epilepsy	6,468	317	6,785	6,068	264	6,332
Young adults	4,663	226	4,889	4,642	200	4,842
	<u>37,837</u>	<u>2,062</u>	<u>39,899</u>	<u>37,616</u>	<u>1,838</u>	<u>39,454</u>

The activities underlying the costs above are described in the Strategic Report.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 March 2018**

**8. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)**

Where necessary, costs have been allocated between activity categories on the basis of time spent.

In 2017, £32,666,000 of expenditure on charitable activities was attributable to unrestricted funds and £6,788,000 was attributable to restricted funds.

**SUPPORT COSTS**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Finance	460	415
Governance	191	176
Human resources	532	431
Information technology	148	163
Management and administration	241	186
Communications	87	88
Grant applications	118	133
Property	285	246
	<u>2,062</u>	<u>1,838</u>

Support costs have been allocated to activities on the following basis:

Property costs - allocated on the basis of use of resources.

Other support costs - allocated on the basis of time spent by the departments supporting the various activities.

Information technology and communications costs are allocated where appropriate directly to projects. Those elements used by support departments and the elements not otherwise directly allocated are included in support costs.

Governance costs relate to the general running of the charity and include the operations of the Board of Trustees and addressing constitutional, audit and other statutory matters.

**9. EXPENDITURE ON OTHER TRADING ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Major fundraising events	55	75
Conferences, courses and venue hire	13	13
	<u>68</u>	<u>88</u>

In 2017, all expenditure on other trading activities was attributable to unrestricted funds.

**10. EXPENDITURE ON INVESTMENT MANAGEMENT COSTS**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Investment manager's costs	30	28
Bank charges and interest payable	37	42
Property rental costs	315	265
	<u>382</u>	<u>335</u>

In 2017, all expenditure on investment management costs was attributable to unrestricted funds.

# QUARRIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

### 11. INCOMING RESOURCES

Incoming resources include funding received and amounts derived from the provision of services which fall within the company's ordinary activities, and are stated net of VAT.

Incoming resources are attributable to the company's principal activities as described in the Strategic Report. Quarriers is a charity operating exclusively in Scotland.

### 12. NET INCOME FOR THE YEAR

	2018 £'000	2017 £'000
<b>Net income is stated after charging:</b>		
Auditor's remuneration - fee for audit of statutory accounts (inclusive of VAT)	26	26
Depreciation of owned assets	1,082	1,178
Operating lease rentals - plant and machinery	281	314
- land and buildings	919	927
Directors' and officers' indemnity insurance	13	12
	<u>          </u>	<u>          </u>

### 13. ANALYSIS OF STAFF COSTS, TRUSTEES' REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2018 No	2017 No
The average monthly number of employees during the year was as follows:		
Administration	154	159
Social care and other	1,468	1,601
	<u>          </u>	<u>          </u>
	1,622	1,760
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:	2018 £'000	2017 £'000
Wages and salaries	26,200	27,039
Social security costs	1,961	1,960
Pension costs	446	821
	<u>          </u>	<u>          </u>
	28,607	29,820
	<u>          </u>	<u>          </u>
Pension costs can be analysed as follows:		
Defined benefit current service cost (see note 25)	25	432
Defined contribution pension costs (see note 25)	421	389
	<u>          </u>	<u>          </u>
	446	821
	<u>          </u>	<u>          </u>

In addition to the above pension costs, an actuarial gain of £2,220,000 (2017 - loss of £4,594,000) and the net interest cost on the net defined pension liability of £265,000 (2017 - £223,000) have been included within the statement of financial activities.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 March 2018**

**13. ANALYSIS OF STAFF COSTS, TRUSTEES' REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (CONTINUED)**

The number of employees whose emoluments, excluding pension and employers national insurance contributions but including benefits in kind, were in excess of £60,000 was:

	2018 No.	2017 No.
£60,000 - £70,000	1	1
£70,000 - £80,000	1	2
£80,000 - £90,000	1	-
£100,000 - £110,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel are listed on page 1. The total remuneration (including pension and employer's national insurance contributions) of the key management personnel of the Charity for the year totalled £380,000 (2017: £416,000).

**Trustees' Remuneration**

None of the statutory directors of the company received any fees or emoluments in respect of their duties as directors during the current or preceding year. £Nil was paid to directors in respect of travel expenses (2017 - £Nil).

Indemnity insurance has continued to be purchased during the year to protect directors and officers from loss arising from breach of duty, trust, neglect, error, misstatement, omission, or any other act committed by any director or officer solely in the course of their activities for Quarriers.

**14. INTEREST RECEIVABLE AND INVESTMENT INCOME**

	2018 £'000	2017 £'000
Income from listed investments (see note 6)	163	155
Bank interest receivable (see note 6)	2	2
	<u>165</u>	<u>157</u>

**15. INTEREST PAYABLE AND SIMILAR CHARGES**

	2018 £'000	2017 £'000
Net interest on net pension defined benefit liability	265	223
Bank loans and overdrafts (see note 10)	37	42
	<u>302</u>	<u>265</u>

**16. TAXATION**

Quarriers has been granted charitable status by HM Revenue and Customs and as a result no liability to corporation tax arises to the extent that income or gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, are applied exclusively to charitable purposes. It is currently believed that there is no liability to UK corporation or capital gains tax.

# QUARRIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2018

### 17. INVESTMENT PROPERTIES AND OTHER TANGIBLE FIXED ASSETS

	Investment properties	Freehold land and buildings	Motor vehicles	Plant & equipment	Fixtures & fittings	Total Tangible Fixed Assets
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>						
At 1 April 2017	5,418	20,759	139	3,565	1,449	25,912
Additions	59	427	16	98	157	698
Transfer	92	(94)	-	-	2	(92)
Disposals	(354)	(1,869)	(2)	(152)	(132)	(2,155)
Revaluation	287	-	-	-	-	-
At 31 March 2018	5,502	19,223	153	3,511	1,476	24,363
<b>Accumulated depreciation</b>						
At 1 April 2017	-	9,128	137	3,042	1,256	13,563
Charge for the year	-	708	5	234	135	1,082
Disposals	-	(857)	(2)	(151)	(119)	(1,129)
At 31 March 2018	-	8,979	140	3,125	1,272	13,516
<b>Net book value</b>						
At 31 March 2018	5,502	10,244	13	386	204	10,847
At 31 March 2017	5,418	11,631	2	523	193	12,349
<b>Net book value of assets used directly for charitable purposes</b>						
At 31 March 2018	-	9,454	9	355	167	9,985
At 31 March 2017	-	10,872	1	467	166	11,506

In the opinion of the directors, the market value of the freehold land and buildings is significantly higher than the book value in these financial statements.

Properties held as security for bank borrowing amount to £2.7m and pension scheme contingent assets amount to £4.23m.

Investment properties were valued by John Kane BSc MRICS of Lambert Smith Hampton:

Valuation date	Number of properties	Net book value £'000	Historic cost £'000
5 June 2017	1	375	88
31 March 2016	15	2,582	726
Between 31 March 2014 and 30 October 2014	6	1,553	968
9 February 2012	4	992	211
	26	5,502	1,993

All investment properties are located in the United Kingdom. The Directors are satisfied that the investment properties which were not revalued in the period are held at fair value. This is based on an assessment of future rental income, lease expiry date and benchmarking against the Nationwide House Prices index. One investment property is held under an historic agreement that restricts the capital receipt attributable to Quarriers in the event of disposal. This represents £80,000 of the above carrying amount.

## QUARRIERS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

#### 18. INTANGIBLE FIXED ASSETS

	£'000
<b>Cost</b>	
At 1 April 2017	898
Additions	292
Disposals	-
	<hr/>
At 31 March 2018	1,190
	<hr/>
<b>Accumulated amortisation</b>	
At 1 April 2017	-
Provided during the year	-
Disposals	-
	<hr/>
At 31 March 2018	-
	<hr/>
<b>Net book value</b>	
At 31 March 2018	1,190
	<hr/>
At 31 March 2017	898
	<hr/>

Intangible fixed assets comprise the costs for development of a new integrated business system, which when operating will realise efficiency savings through improved data management.

#### 19. INVESTMENTS

	2018 £'000	2017 £'000
<b>Cost</b>		
As at 1 April 2017	4,038	3,485
Additions	682	834
Disposals	(448)	(281)
	<hr/>	<hr/>
As at 31 March 2018	4,272	4,038
	<hr/>	<hr/>
Composed of:		
Listed investments:		
Listed on London Stock Exchange	2,793	2,755
Overseas investments	1,477	1,281
Unlisted investments	2	2
	<hr/>	<hr/>
As at 31 March 2018	4,272	4,038
	<hr/>	<hr/>

# QUARRIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2018

### 19. INVESTMENTS (CONTINUED)

	2018 £'000	2017 £'000
<b>Market Value</b>		
As at 1 April	5,720	4,449
Additions	682	834
Disposals as at 1 April 2017 market value	(560)	(358)
	<hr/> 5,842	<hr/> 4,925
(Losses)/gains in the year	(36)	795
	<hr/> 5,806	<hr/> 5,720

#### Subsidiary undertakings

All subsidiary undertakings are limited by guarantee and therefore Quarriers has no holding in the companies. The companies are subsidiary undertakings by virtue of Quarriers' right to exercise dominant influence. The principal activities of the subsidiary undertakings are set out below:

<u>Company</u>	<u>Principal activity, net assets and results</u>	<u>Country of incorporation</u>
<b>Quarrier's Activities Limited</b>	Dormant during the year. Net assets at 31 March 2018 - £47 (31 March 2017 - £47) Result before tax for the year to 31 March 2018 - £Nil (31 March 2017 - £Nil)	Scotland
Company Registration No. SC099906		
<b>Gottar Limited</b>	Design and build company. Net liabilities at 31 March 2018 - £905 (31 March 2017 - Net assets £94) Loss for the year to 31 March 2018 - £999 (31 March 2017 - loss £844)	Scotland
Company Registration No. SC115261		
<b>Strathgryffe Limited</b>	Property management company (for charitable purposes). Net assets at 31 March 2018 - £11,801 (2017 - £10,891) Profit before tax for the year to 31 March 2018 - £910 (2017 - £429)	Scotland
Company Registration No. SC263231		
OSCR Charity No. SC035170		

### 20. DEBTORS

	2018 £'000	2017 £'000
Trade debtors	3,169	3,571
Other debtors	30	34
Prepayments and accrued income	575	584
	<hr/> 3,774	<hr/> 4,189

No debtors are due after more than one year.

## QUARRIERS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2018

#### 21. CREDITORS:

##### AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Bank term loans	194	279
Trade creditors	815	547
Other taxes and social security costs	500	505
Other creditors	787	687
Deferred grant income (see note 22)	337	580
Accruals and other deferred income	893	1,042
Amounts owed to subsidiary undertakings	13	12
	<u>3,539</u>	<u>3,652</u>

##### AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £'000	2017 £'000
Bank term loans due for repayment:-		
Between one and two years	201	194
Between two and five years	440	623
After five years	-	18
	<u>641</u>	<u>835</u>

The term loans are secured by fixed securities over various properties. An additional bank overdraft facility is secured by a standard security over Laing Shrewsbury House (Head Office). The term loan is at a fixed interest rate of 3.33% per annum (2017 - 3.33% per annum).

Included within other creditors are pension contributions payable amounting to £105,000 (2017 - £99,000).

#### 22. DEFERRED GRANT INCOME

	£'000
As at 1 April 2017	580
Received during the year	4,331
Released during the year	(4,574)
	<u>337</u>
As at 31 March 2018	<u>337</u>

Deferred grant income consists of grants received in the current financial year for services to be performed in future financial periods.

#### 23. SHARE CAPITAL

The company is limited by guarantee and therefore has no share capital.

## QUARRIERS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2018

#### 24. RESERVES

	As at 1 April 2017 £'000	Income £'000	Expenditure £'000	Gains on investment assets £'000	Pension scheme movements £'000	Transfers £'000	As at 31 March 2018 £'000
General reserve	17,711	35,538	(34,968)	258	(568)	918	18,889
Pension scheme reserve	(11,022)	-	-	-	2,788	-	(8,234)
<b>Designated funds</b>							
Fixed assets fund	4,921	-	-	-	-	(190)	4,731
<b>Total unrestricted funds</b>	<u>11,610</u>	<u>35,538</u>	<u>(34,968)</u>	<u>258</u>	<u>2,220</u>	<u>728</u>	<u>15,386</u>
<b>Restricted funds</b>	<u>3,639</u>	<u>5,966</u>	<u>(5,863)</u>	<u>-</u>	<u>-</u>	<u>(728)</u>	<u>3,014</u>
<b>Total funds</b>	<u>15,249</u>	<u>41,504</u>	<u>(40,831)</u>	<u>258</u>	<u>2,220</u>	<u>-</u>	<u>18,400</u>

  

	As at 1 April 2016 £'000	Income £'000	Expenditure £'000	Gains on investment assets £'000	Pension scheme movements £'000	Transfers £'000	As at 31 March 2017 £'000
General reserve	15,213	35,200	(33,881)	899	51	229	17,711
Pension scheme reserve	(6,377)	-	-	-	(4,645)	-	(11,022)
<b>Designated funds</b>							
Fixed assets fund	5,196	-	-	-	-	(275)	4,921
<b>Total unrestricted funds</b>	<u>14,032</u>	<u>35,200</u>	<u>(33,881)</u>	<u>899</u>	<u>(4,594)</u>	<u>(46)</u>	<u>11,610</u>
<b>Restricted funds</b>	<u>3,415</u>	<u>6,966</u>	<u>(6,788)</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>3,639</u>
<b>Total funds</b>	<u>17,447</u>	<u>42,166</u>	<u>(40,669)</u>	<u>899</u>	<u>(4,594)</u>	<u>-</u>	<u>15,249</u>

Designated funds represent unrestricted funds that have been allocated for certain specific purposes upon internal approval. These funds were created from grants or donations received for buildings and will be released gradually to offset depreciation. Transfers to/(from) designated funds occur where unrestricted funds have been allocated for certain specific purposes upon internal approval.

Restricted funds have arisen because the income received has to be spent in a defined manner. Balances in restricted funds are held as investments and cash. The balance of restricted funds at year end relates to small balances held in respect of a number of projects.

Other transfers between funds occur where restricted income has been insufficient to cover the associated expenditure and income is transferred from general funds to meet the shortfall.

## QUARRIERS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2018

#### 25. EMPLOYEE RETIREMENT BENEFITS

##### Defined contribution scheme

Employer contributions have been made in the year to the following defined contribution schemes:

	2018 £'000	2017 £'000
Auto-enrolment scheme	129	127
Stakeholder scheme	39	43
Quarriers defined contribution scheme	253	219
	<u>421</u>	<u>389</u>

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

##### Defined benefit scheme

The company operates a defined benefit pension scheme, which was closed to future accrual on 31 August 2016. Active members of the scheme at that date retained a salary link on their deferred pension and cash benefits. The assets of the scheme are held separately from those of the company in a trustee-administered fund. Company contributions paid in the year were £858,000 (2017 - £604,000). Contributions amounting to £46,000 (2017 - £31,000) were payable to the fund at 31 March 2018. No additional contributions were paid in respect of ill health retirement.

The contributions to the defined benefit scheme are determined with the advice of a qualified independent actuary on the basis of triennial valuations using the projected unit funding method. The triennial valuation to 1 November 2016 was formalised on 12 January 2018. Under the funding schedule agreed with the scheme trustees, Quarriers aims to eliminate the current deficit over the next 16 years. The estimated amounts of contributions expected to be paid to the scheme during the year ended 31 March 2019 is £550,000.

##### Actuarial valuation

The figures below have been based on the actuarial valuation as at 1 November 2016, updated to 31 March 2018. The main actuarial assumptions used at the balance sheet date were as follows:

	2018 %	2017 %
Rate of inflation (RPI)	3.00	3.10
Salary increase rate (CPI)	2.00	2.10
Increases for pensions in payment - RPI maximum 5% per annum	3.00	3.10
- RPI maximum 2.5% per annum	2.10	2.10
Liability discount rate	2.60	2.50

	2018 Years	2017 Years
Mortality assumptions - life expectancy on retirement		
Pensioners – male	20.1	20.2
Pensioners – female	22.4	22.8
Non-pensioners - male	21.2	22.0
Non-pensioners - female	<u>23.7</u>	<u>24.6</u>

## QUARRIERS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2018

#### 25. EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

The fair value of the assets in the scheme and the present value of the liabilities in the scheme at each balance sheet date were:

	2018	2017
	£'000	£'000
Equities	25,310	26,175
Bonds	20,153	20,010
Cash	842	1,040
Total fair value of assets	46,305	47,225
Present value of scheme liabilities	(54,539)	(58,247)
Deficit in the scheme	(8,234)	(11,022)

Amounts recognised in the Statement of Financial Activities in respect of the defined benefit scheme are as follows:

	2018	2017
	£'000	£'000
Current service cost	-	237
Service cost – scheme administrative cost	25	195
Net interest on the net defined benefit liability	265	223
Net cost recognised within net income/(expenditure) for the year	290	655
Actuarial (gains)/losses	(2,220)	4,594
Total cost relating to defined benefit scheme recognised in the Statement of Financial Activities	(1,930)	5,249

Movements in the fair value of scheme assets were as follows:

	2018	2017
	£'000	£'000
Assets at 1 April	47,225	43,108
Actual return on plan assets	(372)	4,733
Interest income on scheme assets	1,160	1,517
Employer contributions	858	604
Employee contributions	-	76
Scheme administrative cost	(25)	(195)
Benefits paid	(2,541)	(2,618)
Assets at 31 March	46,305	47,225

## QUARRIERS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2018

#### 25. EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

Movements in the present value of defined benefit obligations were as follows:

	2018 £'000	2017 £'000
Liabilities at 1 April	58,247	49,485
Current service cost	-	237
Interest cost	1,425	1,740
Employee contributions	-	76
Actuarial (gain)/loss	(2,592)	9,327
Benefits paid	(2,541)	(2,618)
Liabilities at 31 March	<u>54,539</u>	<u>58,247</u>

The impact of the pension deficit on unrestricted funds at 31 March 2018 is as follows:

	2018 £'000	2017 £'000
Unrestricted funds excluding pension deficit	23,620	22,632
Pension deficit	(8,234)	(11,022)
Unrestricted funds including pension deficit	<u>15,386</u>	<u>11,610</u>

#### 26. FINANCIAL COMMITMENTS

##### Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases:

	2018 Land & buildings £'000	2018 Other £'000	2017 Land & buildings £'000	2017 Other £'000
Within one year	157	154	139	197
Between two and five years	66	200	74	266
After five years	-	1	-	-
	<u>223</u>	<u>355</u>	<u>213</u>	<u>463</u>

##### Secured assets

Quarriers has agreed with the Quarriers Pension Scheme a contingent asset agreement whereby the scheme holds security over Quarriers tangible fixed assets to the value of £4.23m at 31 March 2018 (2017 - £4.23m).

## **QUARRIERS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 March 2018**

#### **27. SUBSIDIARY COMPANY TRANSACTIONS**

During the year the company made purchases of a total value of £5,000 (2017 - £5,000) from Gottar Limited, a subsidiary company, and made sales to Gottar Limited of a total value of £5,000 (2017 - £5,000).

At 31 March 2018, the company owed £1,000 to Gottar Limited (2017 – £2,000).

During the year the company made purchases of a total value of £19,000 (2017 - £19,000) from Strathgryffe Limited, a subsidiary company, and made sales to Strathgryffe Limited of a total value of £18,000 (2017 - £18,000).

At 31 March 2018, the company owed £12,000 (2017 - £11,000) to Strathgryffe Limited.

#### **28. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year to 31 March 2018 (2017 - none).