

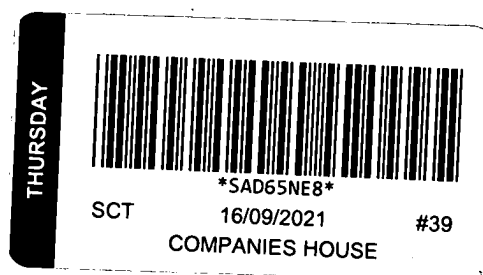
Company Registration No. SC014361
Charity No. SC001960
Registered in Scotland

QUARRIERS

a registered charity in Scotland and
private company limited by guarantee

Annual Report and Financial Statements

For the year ended 31 March 2021



QUARRIERS

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS

	Page
Officers and Professional Advisers	3
Quarriers Sub-Committees	5
Trustees' Report	7
Strategic Report	9
Trustees' responsibilities statement	23
Independent auditor's report	24
Statement of financial activities	28
Balance sheet	29
Cash flow statement and notes to the cash flow statement	30
Notes to the financial statements	32

QUARRIERS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS (TRUSTEES)

Alan Frizzell	Chair (appointed 30 April 2020)
Professor Michael Greaves	Vice Chair (appointed 30 April 2020)
Thomas Scholes	Chair (resigned 30 April 2020)
Sheila Gillies	Vice Chair (resigned 30 April 2020)
Peter Aitchison	(appointed 14 June 2021)
Catherine Bell	
Yvonne Brady	(appointed 22 March 2021)
Marjorie Calder	(resigned 7 December 2020)
Patricia Cunningham	(resigned 30 September 2020)
Graham Findlay	(resigned 17 August 2020)
Glen Johnstone	
Andrew Kubski	(resigned 8 June 2021)
David McCallum	
Allyson McCollam	
Heather McKinlay	
Nick Pascazio	
David Watt	
John Wood	
Sandra Wright	

EXECUTIVE DIRECTORS (KEY MANAGEMENT PERSONNEL) *

Dr Ron Culley	Chief Executive (appointed 6 April 2020)
Alice Harper	Chief Executive (resigned 17 April 2020)
Andrew Williamson	Service Director and Deputy Chief Executive
Ann Parkinson	Director of IT and Information Management (resigned 15 May 2020)
Niall Macpherson	Director of Finance and Corporate Services
Alistair Dickson	Executive Director People and Technology (appointed 18 May 2020)

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

COMPANY SECRETARY

Lesley-Anne Patrick

REGISTERED OFFICE

Quarriers
Quarriers Village
Bridge of Weir
Renfrewshire PA11 3SX

INDEPENDENT AUDITOR

French Duncan LLP
133 Finnieston Street
Glasgow
G3 8HB

INVESTMENT MANAGERS

Brewin Dolphin
48 St Vincent Street
Glasgow
G2 5TS

QUARRIERS

OFFICERS AND PROFESSIONAL ADVISERS

SOLICITORS

Brodies LLP Solicitors
110 Queen Street
Glasgow
G1 3BX

DWF LLP
110 Queen Street
Glasgow
G1 3HD

PENSION SCHEME ADMINISTRATORS AND CONSULTANTS

Broadstone Pensions Consulting Ltd
221 West George Street
Glasgow
G2 2ND

XPS Pensions Group
40 Torphichen Street
Edinburgh
EH3 8JB

BANKERS

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

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

QUARRIERS

QUARRIERS SUB-COMMITTEES

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. In addition, it monitors the relationship with the external auditor and reviews the annual financial statements before submission to the Board of Trustees.

Members:

David Watt	Chair
Yvonne Brady	(appointed 22 March 2021)
Patricia Cunningham	(resigned 30 September 2020)
Alan Frizzell	(resigned 12 May 2020)
Andrew Kubski	(30 September 2020 to 8 June 2021)
David McCallum	(appointed 12 May 2020)

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:

Cathy Bell	Vice-Chair (appointed 14 June 2020)
Glen Johnstone	Chair (appointed 14 June 2020)
Graham Findlay	Chair (resigned 14 June 2020)
Alan Frizzell	
Thomas Scholes	(resigned 30 April 2020)
John Wood	(appointed 03 November 2020)

Safeguarding & Services Committee

The Safeguarding & 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:

Professor Michael Greaves	Chair (appointed 30 April 2020)
Sheila Gillies	Chair (resigned 30 April 2020)
Allyson McCollam	
Heather McKinlay	
John Wood	(transferred to F&GP Committee 03 November 2020)
Sandra Wright	

Governance Committee

The Governance Committee meets at least three times per year and oversees the appointment and performance appraisal of the Chair, Vice-Chair and CEO. The Committee also reviews the development and training needs of the Trustees, membership of the various Board Committees, the Annual Review, Executive Remuneration and the production of a calendar of business in respect of Board activity.

Members:

Alan Frizzell	Chair (appointed 29 September 2020)
Professor Michael Greaves	
David McCallum	
Nick Pascazio	

QUARRIERS

QUARRIERS SUB-COMMITTEES

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:

Nick Pascazio	Chair
Alan Frizzell	(transferred to Governance Committee 29 September 2020)
Thomas Scholes	(resigned 30 April 2020)

The Remuneration Committee was assumed within the Governance Committee on September 2020.

QUARRIERS

TRUSTEES' REPORT

Trustees Report for the year ended 31 March 2021

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 2021. 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.

How our Charity is Governed

Quarriers is both a registered charity in Scotland and a company limited by guarantee (with no share capital). Quarriers charitable company (Scottish Charities Registration Number SC001960) was incorporated on 30 October 1926. The company is established under its Memorandum of Association which lays out the (charitable) objects and powers of the company and it is governed by its Articles of Association which set out the legal and organisational procedures to which its administration must adhere. The charitable company has two subsidiaries whose results are not consolidated. Further details of the performance are given in note 19.

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are referred to as the Directors, Trustees or collectively as the Board of Directors or Board. Each Director is a member of the company. As the company is limited by guarantee it does not have a share capital, therefore none of the Directors holds any shares. 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.

The Board of Directors meets six times a year. Day to day operational responsibility is delegated to the Chief Executive and the Executive Director Team all of whom attend meetings of the Board and its sub-committees. There is a clear reporting structure whereby senior staff members with defined responsibilities report to the Chief Executive who in turn reports to the Board of Directors.

Trustees' recruitment, induction and training

Trustees are recruited following best practice guidelines as set out in the Scottish Governance Code for the Third Sector. This is further augmented by adherence to the Scottish Council of Voluntary Organisations *Good Governance Check-up* which provides a clear framework for setting out organisational purpose and values. All Trustees should be familiar with the practical work of the charity and are encouraged to visit services 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 an induction programme which introduces the Trustees to the organisation, its staff and services, the people Quarriers supports, safeguarding 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)

Our thanks go to Tom Scholes and Sheila Gillies who stepped down from the respective roles of Chair and Vice-Chair on 30 April 2020 after many years of service. Having both joined the Quarriers Board a number of years previously, Alan Frizzell assumes the role of Chair and Professor Michael Greaves the role of Vice-Chair, both effective from 30 April 2020.

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 3. 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

Executive Directors

Having replaced Alice Harper as Chief Executive Officer in April 2020, this year represents Dr. Ron Culley's first full year in post. The Board would like to record their thanks to Alice for her unwavering commitment to improve organisational performance and the quality of care delivered. The composition of the Executive Committee is: -

Dr Ron Culley	Chief Executive (appointed 6 April 2020)
Alice Harper	Chief Executive (resigned 17 April 2020)
Andrew Williamson	Service Director and Deputy Chief Executive
Ann Parkinson	Director of IT and Information Management (resigned 15 May 2020)
Niall Macpherson	Director of Finance and Corporate Services
Alistair Dickson	Executive Director People and Technology (appointed 18 May 2020)

Auditor

Disclosure of information to the 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.

QUARRIERS STRATEGIC REPORT

The information contained within pages 9 to 22 below under the headings “*Our Charitable Purposes*” through to and including “*Principal risks and uncertainties*” meet the company law requirements for the Directors to present a Strategic Report.

Our Charitable Purposes

Quarriers' objective is to help vulnerable people to enjoy their lives by enabling them to achieve their full potential. We seek to achieve our charitable purposes by providing practical support and care for adults, children, young people and families. We do this through the provision of residential care and supported living services, specialist epilepsy services, support for people with learning and physical disabilities, provision of respite care, carer services and support for young homeless people.

Quarriers vision

Our vision is for people we support to have greater independence and inclusion in their communities, and to be active citizens who are in charge of their health and wellbeing. We look to achieve this by transforming lives: “*enabling the people we support to realise their true potential*”.

Quarriers services and activities

Quarriers is one of Scotland's leading social care charities. We challenge poverty and inequality of opportunity to bring about positive changes in people's lives. We deliver services across Scotland, partnering with 19 of the 32 local authorities and each of the 14 Health Boards. Each year we provide person-centred services to nearly 5,000 people from all age groups and seek to improve the lives of the people we support and make a positive impact in their local communities.

Our service provision is delivered across the following main themes:

Adult disability - we specialise in supporting adults affected by learning disabilities, complex physical disabilities, acquired brain injury and autism. These services are delivered within residential care home and group living settings, individual tenancies, and augmented by the provision of residential short-break services.

Children and families – our services include residential childcare for children with complex needs and behaviours, short-break respite, befriending, nursery facilities & playgroups, carer & fostering services as well as emotional and practical support to vulnerable families. We also run Family Centres that offer a range of personalised support services for families, including parent support groups for mums and dads, health and wellbeing workshops and activity groups for children.

Young adults – we work with young people facing homelessness, exclusion from mainstream schools or difficult family circumstances. We take time with each young person to tackle the problems they face while encouraging positive behaviour, as well as offering support with education, employability, and addiction and self-harm issues.

Epilepsy services – we operate a world-class, award-winning independent hospital in partnership with the NHS: the William Quarrier Scottish Epilepsy Centre in Glasgow, which provides cutting edge healthcare in a 12-bed tertiary hospital for people with complex needs who require an expert diagnosis.

Our Strategic Outlook

The ongoing delivery of our charitable purposes through the services we provide is reviewed and considered through a three-year strategic planning cycle. Researching and identifying the changing needs of health and social care services in conjunction with national and local planning partners, our strategic plans are developed to respond to those needs as effectively as possible within the limits of the financial resources available. This includes making sure that organisationally we are developing the infrastructure, resources and skills required to deliver the changes in service delivery.

QUARRIERS STRATEGIC REPORT

Our new strategy for 2020-23, *Transforming Lives: Growing Together* sets out our vision of ensuring that the people we support have greater independence and inclusion in their communities, and are active citizens in charge of their health and wellbeing. This strategy reflects our ambition for the future: to grow sustainably and develop leading community-based health, education and social care solutions by 2023. The new strategy includes a focus on the development of services for children with emotional and behavioural needs and growth in services supporting those with complex needs and lifelong conditions. The strategy establishes the following key strategic goals: -

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.

Our Staff - We aim to be the employer of choice and invest in our values-driven workforce.

Achieving Excellence - We will embrace a culture of continuous improvement, surpassing recognised standards and outcomes while transforming the lives of the people we support.

Development and Sustainability - We will continue to develop sustainable services that benefit those we support and their communities.

Impact - We aim to promote active citizenship and maximise our impact in the communities in which we provide services.

The environment in which we operate is challenging. We face increased regulation and legislation; increased competition; drive for high-quality, value for money, person-centred care; demographic changes; increased need/ demand; people with more complex support needs; and developments in technology against a backdrop of austerity and increased financial pressure on those organisations that commission our services. Nonetheless, Quarriers is well placed to meet the challenges of operating in this dynamic environment going forward. We have a history of changing and developing to meet the needs of the people we support, and our fundamental strength is our ability to adapt. This is evidenced by the following case studies which demonstrate how our services responded to the Covid-19 pandemic and the impact this had in their local communities.

Supporting adults with a learning disability during the pandemic

Quarriers Fountainview Service is a residential care home for adults with learning disabilities and exemplifies the outstanding work of our supported living services across Quarriers.

Taking part in meaningful activities and getting out in the community are essential to boosting wellbeing and developing skills and confidence, so having to stay at home, coupled with missing family and friends and feelings of isolation, posed a serious risk to the mental health of the people we support. It was therefore vital that the team at Fountainview did everything they could to look after residents' mental and physical wellbeing.

Not only have staff worked to keep people safe and informed, but they have also created opportunities to stay active, learn new skills, keep in touch with loved ones and even have fun during some very difficult times. Thanks to the team's hard work, the people we support haven't just been getting through the pandemic, they have been thriving.

The service has received exceptional feedback. Two external audits have been carried out by the Health and Social Care Partnership, which involved visits from external agencies to assess safe COVID practices and the wellbeing of residents and staff, and the service was found to have no requirements.

The service also received an outstanding score in its most recent internal Quality Clinic, demonstrating excellent ongoing inclusion. The service's recent survey for the families of the people we support contained questions based on the Care Inspectorate's Quality Framework for Care Homes, and all families rated the service as excellent in all categories, with comments including "The team at Fountainview continues to do an excellent job in very difficult circumstances. He continues to be well cared for and very happy."

QUARRIERS STRATEGIC REPORT

Supporting young people during the pandemic

Supporting young people's wellbeing was the top priority for our school-based mental health services, and it was paramount that service provision continued when lockdown came into effect. Our service teams sprang into action, contacting people we support to let them know that we were still there for them, and worked to move services to virtual platforms in a matter of days.

Our Resilience for Wellbeing Service offered online appointments to young people actively supported by the service, and virtual drop-in sessions gave students the chance to connect socially and access the support of their Resilience Practitioner. Support was also offered to all young people who had previously accessed the service, and the team continued to process new referrals. The service delivered 8,740 one-to-one support sessions in the past year.

Recognising that this was a particularly challenging year for young people moving from primary to secondary school, our Opt-In Service created Moving Up, a detailed digital resource to help young people prepare for the move and distributed this to 240 children. Further resources on managing wellbeing during lockdown and preparing for society opening up again were created and distributed and were promoted through Quarriers' social media channels.

Contacting families to discuss continuing support had the unexpected benefit of establishing stronger relationships with parents and carers, who would spend time discussing their needs and anxieties. This led to an enhanced understanding of how Covid restrictions were impacting families' emotional wellbeing, and as a result, our school-based services offered additional support sessions for parents to discuss anxieties and signpost them to appropriate resources such as online learning support and foodbanks. This also highlighted the financial difficulties that some families were facing, and our teams applied for funding including the Cash For Kids Basic Essentials Family Grant to provide vouchers and food parcels.

What we achieved in 2020-21

This year represented the first year of our three-year strategic planning cycle. Looking at our key strategic goals the following progress was achieved: -

Personalised Support: in line with our commitment to inclusion and participation we have expanded our cross-party and community partner relationships. Working with various stakeholders including volunteers, peer mentors, educators and buddies has enhanced our reputation for enabling the People We Support to achieve positive outcomes in their lives and for staff to feel valued as key contributors to this success. This has been recognised by external partners including the Care Inspectorate, Local Authorities and other care providers.

Our staff: we published a new People Strategy during the year which outlines our commitment to staff and to being a progressive employer. A key initiative within the strategy is a "Staff Pledge" which seeks to maintain the principles of fair pay by maintaining baseline pay above the Scottish Living Wage where funding allows, offering contracted hours to all staff who want them and ensuring a safe and secure working environment for all. A recent staff survey indicated that 88% of staff would recommend Quarriers as a good place to work and the vast majority are proud to work for Quarriers.

We continue to make progress on gender pay, reporting a Gender Pay Gap of 2.37% representing a slight improvement on the 2019/20 Gender Pay Gap of 2.55%. These metrics compare favourably with the UK all employers mean of 14.6% and a median of 15.5% (as reported in the ONS Annual Survey of Hours and Earnings)

Contributions to the Government's Apprenticeship Levy scheme allowed us to support 110 modern apprenticeships during the year and, having agreed new partnership agreements with colleges, we expect this number to increase by around 10 next year.

QUARRIERS STRATEGIC REPORT

Achieving Excellence: with a moratorium on Care Inspectorate inspections due to the global pandemic, our regulator ratings remained static at 97% of services rated good and above. Notwithstanding this, we have maintained regular contact with our Care Inspectorate Relationship Managers and local authority commissioners to ensure quality of service is maintained.

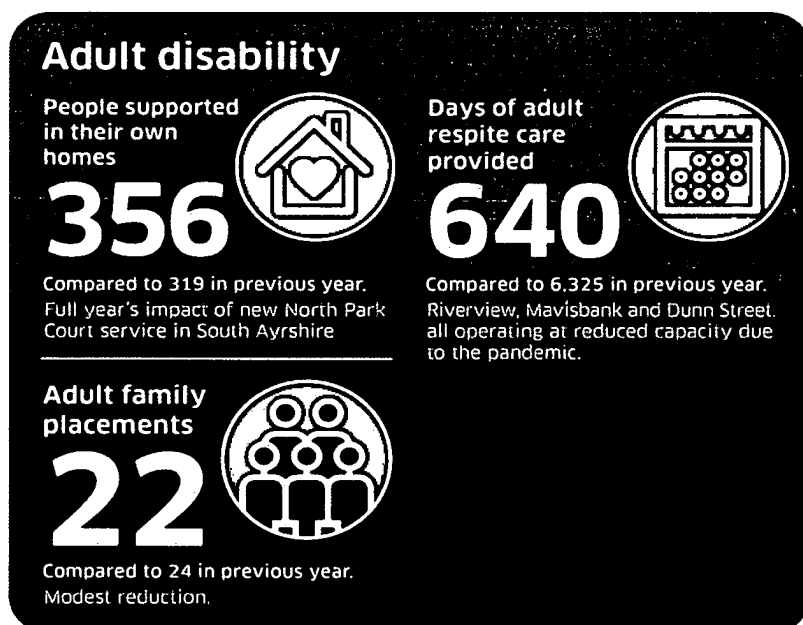
During the year we developed new internal quality review processes, including desktop reviews of each service. This approach was noted by our Regulators and promoted as an exemplar of good practice within the sector. Progress towards an organisational EFQM accreditation was derailed during the year as Quality Scotland, the external assessor, went out of business. Despite this, we are reviewing the option of securing accreditation from EFQM Scotland, an alternative assessor.

Development and Sustainability: in March a new Sustainability Plan which describes the organisational development agenda that will deliver greater innovation, efficiency and sustainability over the next five years was approved by the Board.

During the year, a working group developed a new Service Level Agreement (SLA) between Quarriers and NHS Scotland. The SLA, which is administered by NHS Ayrshire & Arran on behalf of the territorial Health Boards, clarifies the funding and service relationship between NHS Scotland and the William Quarrier Scottish Epilepsy Centre and identifies a single point of decision-making within NHS Scotland to agree the arrangements with Quarriers. It sets out a new block purchase arrangement whereby patients referred from NHS Scotland will have full access to 11 of the Centre's 12 beds.

The Business Development team completed another successful year including securing places on frameworks for supported living for adults with a disability in North Lanarkshire and for fostering and continuing care in the City of Edinburgh. New business wins include the provision of counselling services in education establishments across Glasgow and retention of existing business in our fostering services (Glasgow City and Falkirk Council) and our highly regarded Renfrewshire Head Injury service.

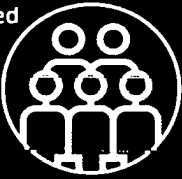
Impact: we published two new documents during the year: Safeguarding Strategy 2021-24, which sets out our planned activity to ensure the safety and wellbeing of the people we support and the Volunteer Engagement Strategy 2020-2022, which describes how we intend growing our volunteer base. Our vision for volunteers is that they have a personally rewarding and quality experience and know that their role had made a difference to the lives of the people we support. The impact of our work, split across the main service strands is shown below:



Epilepsy services

Patients admitted
to Scottish
Epilepsy Centre

90



Compared to 148 in previous year.
Closure of the Centre for 12 weeks
due to the pandemic.

Outpatients
treated at Scottish
Epilepsy Centre

162



Compared to 338 in previous year.
Closure of the Centre for 12 weeks
due to the pandemic.

People with
epilepsy within
small care homes
and supported
living services

64



Compared to 63 in previous year.
Ashgrove & Glenvalley uplift.

People supported
by Epilepsy
Fieldwork
services

584



Compared to 830 in previous year.
Reduced activity due to the pandemic.

Young adults

Nights supported
accommodation
provided

19,579



Compared to 26,268 in previous year.
Re-provision of James Shields
service into alternative premises
with reduced capacity.

Young people
supported in their
own tenancies

58



Compared to 81 in previous year.
Reduced placement in Quarriers
Supported Youth Housing Project.

Children and families

Young people with a disability supported in residential services



7 Compared to 4 in previous year.
Improved Rivendell occupancy

Days of residential respite care provided for children with disabilities



1,020

Compared to 2,164 in previous year.
Countryview operating at reduced capacity due to the pandemic.

Children with a disability utilised family-based short break service.



9 Compared to 10 in previous year.
Slight drop in demand.

Children supported by family support services



740

Compared to 624 in previous year.
Growth in Families Matter services.

Children supported by flexible childcare at home services



112

Compared to 104 in previous year.
Growth in D&G Carers Centre.

Child fostering placements supported



21

Compared to 12 in previous year.

Secured a place on the City of Edinburgh framework.

Adult carers directly benefited



2,552

Compared to 2,750 in previous year.
Reduction in Moray Carers partially offset by new Aberdeen City carers service.

Young carers directly benefited



378

Compared to 277 in previous year.
Growth in Aberdeen based services.

Adults supported by drug & alcohol services



1,043

Compared to 907 in previous year.
Increased utilisation of Arrows service in Moray.

Fundraising

Fundraising remains an important activity for Quarriers, allowing us to augment existing commissioned services and improve the quality of the outcomes for the people we support. We do this through targeted individual giving campaigns, community events, and working in collaboration with corporate foundations, trusts and philanthropists. We are very grateful for the support received from all our partners, full details of which are shown at Note 4 of the accounts.

Quarriers is committed to complying with the regulatory standards for fundraising, and to ensuring that our fundraising is delivered in a manner consistent with our values. We are registered with the Scottish Fundraising Standards Panel and adhere to the Code of Fundraising Practice. All our fundraising activity complies with UK data protection legislation.

QUARRIERS STRATEGIC REPORT

Scottish Child Abuse Inquiry/Redress for Survivors of Abuse

Having previously given evidence as a Core Participant in the Scottish Child Abuse Inquiry last year, we await publication later in the year of Lady Smith's final report which is expected to "*make recommendations including any changes to practices, policies and/or the law... required for the protection of children in the future*".

Concurrently, the Scottish Parliament has enacted legislation to provide survivors of abuse with the opportunity to seek redress through a national Redress Scheme. The legislation creates Redress Scotland, which will allow survivors of abuse to seek financial reparation.

Quarriers supports the rights of survivors to seek justice, apology and redress – and we reiterate our apology to anyone who suffered abuse while in our care. Our aspiration is to participate in the scheme, and we continue to work with Scottish Government officials to help create the conditions that will allow for our participation. The organisation recognises the importance of being accountable for historical abuse - but we will also ensure that our charitable mission is not endangered by the terms of participation.

Organisational impact of the coronavirus pandemic

The pandemic has been truly global in its reach and unprecedented in its impact on society and the world economy. The spread of the virus into the United Kingdom saw the introduction of containment measures which are unparalleled. Every aspect of society and the economy within the UK has been impacted as the country moved in and out of national and local 'lockdown' measures since March 2020. The pandemic has presented human and economic challenges on an unprecedented scale across all sectors but clearly, this has been particularly acute within the care sector. The following table sets out an impact assessment on our services together with the actions taken to mitigate:

Area	Impact	Mitigation
Business Continuity	Failure to maintain operational activity	The Business Continuity Plan was immediately invoked, and the Emergency Planning Team has continued to issue relevant and effective covid-19 guidance.
Staff and volunteers	Imposition of lockdown restrictions leading to closure or curtailment of service delivery.	Staff who were unable to carry out their normal duties were re-deployed to other tasks. A return-to-work route map was also developed. Those staff who can work from home have done and continue to do so.
	Increased sickness absence due to staff either shielding or self-isolating.	Self-isolating staff received payment of their full contracted pay while off with extra costs being recovered via HSCP mobilisation plans. Shielding staff were placed on furlough via the Government's Coronavirus Job Retention Scheme. Employee Assistance Programme available to all staff.
People We Support	Introduction of strict social distancing rules.	Dynamic risk assessments undertaken within local care settings.

QUARRIERS STRATEGIC REPORT

Area	Impact	Mitigation
	Increased use of Personal Protective Equipment (PPE) Cancellation of some day activities.	Recovery of extra costs where relevant via HSCP mobilisation plans. Scottish Government committed to continue paying for contracted services; affected staff were successfully redeployed to other services or activities.
Fundraising	Reduced income due to cancelled or postponed fundraising events. General reduction in the value of donations.	Assessment of alternative delivery mechanisms e.g., virtual events. Introduction of digital giving and development of new legacy strategy.
Investments	Reduced market value and income yields.	Retain a diversified portfolio including fixed-interest securities.
Pension Scheme	Reduced fair value of Scheme assets.	Assessment of alternative strategies to increase the level of recovery plan contributions.
Internal controls	Increased susceptibility to fraud due to remote working.	Internal controls reviewed and changes implemented where required.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH s172(1) COMPANIES ACT 2006

The Directors of a charity must act in the way they consider, in good faith, would be most likely to promote the success of the charity and its charitable purpose, and in doing so, have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the charity's employees;
- The need to foster the charity's business relationships with all stakeholders;
- The impact of the charity's operations on the community and the environment;
- The desirability of the charity maintaining a reputation for high standards of business conduct;
- The need to act fairly as between members of the charity.

As part of their induction, a Director is briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser. It is important to recognise that in a large charity such as ours, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to the Executive Directors and details of this can be found in the Trustees' Report on page 7. The following paragraphs summarise how the Directors fulfil their duties: -

Risk Management

We provide critical services to the people we support, across a variety of care settings and in many cases within a highly regulated environment. The addition of new services means that our risk environment continues to increase in complexity. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management.

For details of our principal risks and uncertainties, and how we manage our risk environment, please see page 21.

QUARRIERS STRATEGIC REPORT

Our Staff and Volunteers

Quarriers is committed to being a responsible organisation. Our behaviour is aligned with the expectations of our staff, volunteers, the people we support, local authority customers, donors, funders and the communities in which we work. Our staff are the heart of the services we deliver. For the charity to succeed we need to manage performance and develop talent while ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour, so we achieve our goals in the right way. We are an accredited Scottish Living Wage and Investors in People (Platinum) employer.

For further details on our staff and volunteers' engagement, please see page 20.

Business Relationships

Our strategy prioritises sustainable growth and to achieve this, we need to develop and maintain strong relationships with a number of stakeholders. We value all of our stakeholders and have multi-year contracts with our key customers and suppliers.

Our Financial Year in Review

Results for the year

Despite an overall reduction in total income, this year's results represent a considerable improvement on last year with net income (before investment gains and losses) of £2.0m (2020: net expenditure of £2.6m). This turnaround in performance has been driven by improved funding across our adult supported living portfolio, strategic initiatives to improve staff recruitment and retention, effective rota management and the receipt of additional public funding to manage the impact of the global pandemic.

In addition, there was a £1.0m gain on sale of investments (2020: £0.7m loss) and an actuarial loss on the defined benefit pension scheme of £0.9m (2020: loss of £4.2m) resulting in a net positive movement of funds for the year of £2.1m (2020: £7.6m net negative movement).

Total income decreased by £0.5m to £42.6m (2020: £43.1m) due to the adverse effects of the coronavirus pandemic that saw our respite services operating at greatly reduced capacity and a marked increase in the time to fill service voids. This decrease was partially offset by the fact that local authorities were required to fund most services on a "pay as planned" basis whereby payment was received even where the underlying activity had to be cancelled. A blanket 2.2% uplift in respect of the Scottish Living Wage was mandated by the Scottish Government, removing the need to negotiate with each local authority customer separately in respect of our supported living and homelessness services.

Despite the disruption caused by the pandemic, especially the number of events that had to be cancelled, the fundraising team delivered an exceptional performance, generating total income of £2.3m (2020: £2.2m) against a budget of £2.5m (2020: £2.6m), £1.3m of which is included within donations and legacies and the balance within Charitable Activities.

Total expenditure reduced by £5.1m to £40.6m (2020: £45.7m). Within this figure, expenditure relating to donations and legacies decreased to £0.4m (2020: £0.6m) due to the cancellation of a planned donor recruitment programme and the cancellation of fundraised events. Expenditure on charitable activities decreased by £4.7m to £39.9m (2020: £44.6m) due to a combination of the reduced service delivery capacity noted above, reduced agency costs and efficiency savings realised during the year.

Going concern

The directors have prepared forecast results which incorporate possible downside sensitivities, including those related to the global pandemic, and are confident that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements. Further details are provided in the going concern policy note 1.

Financial instruments and credit risk

The charity's principal financial assets are bank balances and investments. The charity's only significant financial instruments are bank term loans of £0.2m (2020: £0.4m). The charity's credit risk is primarily

QUARRIERS STRATEGIC REPORT

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 customers. 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.

Investment Funds and Investment Properties

Quarriers investments are retained to support operations of the charity. Investments comprise a combination of funds comprising equities, fixed income securities and cash. The investment policy is reviewed annually and performance against targets reviewed quarterly. The annual review recommended a change in the risk profile during the year, leading to a reduction in the proportion of equity holdings in favour of fixed interest securities and bonds. 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. Notwithstanding the change in risk profile noted above, 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.

The overall gain on investments was £1.0m (2020: £0.7m loss) comprising: £1.2m gain on funds (2020: £0.4m loss) offset by a £0.2m loss on investment properties (2020: £0.3m loss). Notwithstanding significant in-year volatility due to the pandemic, the funds portfolio rallied, closing the year at £4.5m (2020: £4.4m).

Pensions

The deficit on the defined benefit pension scheme, calculated in accordance with FRS102, reduced in the year to £12.4m, representing an improvement of £1.7m (12%) on the prior year. The main factors contributing to this improvement were £2m of increased deficit recovery contributions, the positive impact of higher-than-expected returns on the Scheme's assets, the positive impact of adopting the Black-Scholes model and the CMI_2020 mortality table, the positive impact of contributions paid and member movements and the reduced allowance for GMP equalisation. This was offset to an extent by a fall in corporate bond yields and a rise in inflationary expectations leading to a higher valuation of the Scheme's liabilities. The Scheme was closed to future accrual in 2016 with affected members being transferred to a defined contribution scheme. As a separate exercise, the triennial valuation at 31 October 2019 was agreed with Scheme Trustees during the year, resulting in an increase in annual deficit recovery contributions from £0.55m to £1.0m with effect from 01 April 2020. The directors believe that the Scheme liability is a manageable long-term liability, where the payments required by the deficit recovery plan can be met from forecast cash flows.

Reserves

The directors recognise the need to hold reserves 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 many social care providers, our target is to retain an amount equivalent to 12 weeks' operational expenditure in unrestricted reserves. In carrying out our assessment of reserves, we look at unrestricted reserves prior to taking pension liabilities into account, referred to as "free reserves". In assessing our level of free reserves, we also exclude fixed assets held for the charity's own use and designated reserves (as defined below). By this measure, free reserves at 31 March 2021 amounted to £3.9m representing approximately 5 weeks (2020: 4 weeks) at the current level of annual expenditure of £40.6m. Having considered the guidance set out by OSCR, the charity regulator, and reviewed the level of unrestricted reserves in this context, the directors believe them to be sufficient to meet future requirements.

Unrestricted funds increased by £1.7m (2020: £7.0m reduction) due to the pension scheme movement noted above and the movement in net outgoing resources reported in the Statement of Financial Activities. Restricted funds have increased by £0.4m (2020: £0.6m reduction).

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.

QUARRIERS STRATEGIC REPORT

It should be noted that in line with our reserves policy, the Board of Trustees has a duty to ensure the good financial governance of the organisation ahead of making any commitment to participate in the national Redress scheme. The affordability of participation therefore will have to be cognisant of the importance of maintaining and growing free reserves in line with our policy.

Funds held as custodian

Quarriers holds funds on behalf of people we support who are unable to open bank accounts. These balances amount to £0.4m (2020: £0.3m) and are held in a separate bank account. These amounts are accounted for within cash at bank and creditors in the Balance Sheet.

Greenhouse Gas Emissions

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2013 requires all non-quoted large companies to report the greenhouse gas emissions for which they are responsible and on any environmental matters which are material to the company's operations. This report complies with the requirements of the Streamlined Energy and Carbon Reporting (SECR) regulations.

The gross greenhouse gas (GHG) emissions for Quarriers were **587.0** tonnes of carbon dioxide equivalent (tCO₂e) at an emissions intensity of **13.7** tCO₂e per £m revenue for the period 1st April 2020 to 31st March 2021. Quarriers' total greenhouse gas emissions this year were 27% lower than in 2019/20. The main contributors to this change were a 23% reduction in electricity consumption and a 71% reduction in transport fuel consumption.

Reportable Greenhouse gas emissions by year (tonnes CO₂e): -

Emissions source (tCO ₂ e)	2020/21	% of Total	2019/20	% Change
Fuel combustion: Natural gas	287.2	48.9%	282.5	1.7%
Fuel combustion: Transport	52.5	9.0%	179.8	-70.8%
Purchased electricity	247.3	42.1%	353.6	-30.1%
Total emissions (tCO₂e)	587.0	100.0%	815.9	-28%
Revenue (£)	£42,634,000		£43,124,000	
Intensity: (tCO₂e per £m)	13.7		18.9	-27.2%

Reportable Energy consumption by year (kWh):

Energy consumption by year (kWh)	2020/21	% of Total	2019/20	% Change
Natural Gas	1,562,027	56.8%	1,536,341	1.7%
Purchased Electricity	976,905	35.5%	1,275,215	-71.3%
Transport Fuel	210,826	7.7%	734,867	-23.4%
Total	2,749,758	100.0%	3,546,423	-22.5%
Revenue	£42,634,000		£43,124,000	-1.1%
Intensity: (kWh per £m)	64,497		82,238	-21.6%

This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019. Fuel, energy and emissions have been calculated using the latest conversion factors from: UK Government GHG Conversion-Factors-2020-Condensed-set-for-most-users V1.2, BEIS, 2020. There are no material omissions from the mandatory reporting scope. The reporting period is April 2020 to March 2021, as per the financial accounts.

QUARRIERS STRATEGIC REPORT

Quarriers recognises the threats posed by climate change and resource depletion and the need to address this through effective and ethical decision making. Our new Sustainability Plan previously referenced, reflects a commitment to reduce the energy consumption and carbon impact of our operations and indeed, this has already commenced following the introduction of remote working and agile work practices.

Staff Governance

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 positive about employing people with disabilities and seeks to provide ongoing support to 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 a condition which satisfies the disability provisions of the Equality Act is 154 (2020: 150), which is almost 10% of total staff.

Staff Engagement

Quarriers continues to recognise the importance of engaging and consulting with staff around issues and initiatives that directly concern them. Clear communication and partnership working have been crucial aspects of our response to the pandemic. Throughout the year, staff have been provided with information via a dedicated portal on the Quarriers intranet, explaining the impact of advice from our key partners, the Scottish Government, NHS Scotland, UNISON and the Coalition of Care Providers Scotland. This advice was regularly updated in response to the changing guidance and feedback from staff confirmed that they found this resource particularly helpful. A total of 60 staff (2020: 70) have been involved in developing internal policies and procedures during the year and significant numbers of staff also contributed to the development of staff and volunteer engagement strategies. In addition, we continue to provide staff with a range of employee support arrangements and flexible working practices, all designed to improve wellbeing.

Volunteers

Quarriers is committed to the involvement of volunteers across the organisation and works with over 300 volunteers (including corporate supporters). Volunteers add value to the organisation and make a real difference to the people we support, and we were delighted to receive the Investing in Volunteers UK Quality Award during the year.

Looking to the year ahead

The next 12 months will see a focus on developing organisational strategy and ensuring sustainability of services. Given the constraints on public finances, we will seek to diversify our income streams with the introduction of new service areas and social enterprise models and create efficiency through shared services and partnership. We will continue to utilise our fundraising capacity to differentiate Quarriers from competing providers and we will actively participate in the social care reforms introduced by The Promise and the Feeley Review and seek to use our voice to influence public policy.

We anticipate that coronavirus will continue to impact on operations and service delivery well into 2021-22 but feel confident that the business continuity measures introduced at the start of the pandemic will continue to operate as designed.

By Autumn we expect to have agreed a position in respect of our participation in the national Redress Scheme for survivors of historical child abuse and we will continue to work with Scottish Government regarding the conditions that would support this participation.

As noted above, free reserves at 31 March 2021 amounted to £3.9m representing approximately 5 weeks (2020: 4 weeks) at the current level of annual expenditure of £40.6m. This falls short of our twelve-week target. In addition, a significant number of the organisation's properties are secured to third parties, meaning that the scope to fund a contribution to the national Redress Scheme from asset sales is severely limited. See note 17 for details of the assets secured to the bank and the pension scheme.

QUARRIERS STRATEGIC REPORT

Quarriers celebrates its 150th anniversary in November and we will mark the occasion by promoting both our current work and future ambitions via various publications, a series of commemorative events and the planned introduction of new services. We will also use the opportunity to refresh our brand.

Post Balance Sheet events

Since the year-end, while Covid 19 restrictions remain in force, these are now beginning to be relaxed and as such, we continue to plan for the resumption of normal operational activity in the third quarter. The directors have determined that these events are non-adjusting subsequent events and as such, the results for the year ended 31 March 2021 have not been adjusted to reflect their impact. The uncertainty around impact and duration of the pandemic means it is not possible to reliably estimate the effect on future results.

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 and uncertainties

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 risk management framework comprises:

- A Corporate Risk Policy
- A Corporate Risk Register (CRR)
- 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.

The Board undertakes regular review of the CRR and considers: -

- the high and significant risks to which the Charity is exposed.
- the potential impact and probability associated with each risk.
- existing internal controls and accountability for them, and
- mitigating actions to reduce each risk to a level that the Board considers to be acceptable.

In addition to the Covid-19 pandemic risk outlined in detail above, the key risks identified in the CRR are as follows: -

Risk	Mitigation
Uninsured civil litigation and Financial Redress following the Scottish Child Abuse Inquiry. Significant negative Media coverage resulting in damage to reputation and implications from financial redress and the prospect of an unaffordable redress liability.	Correct insurance product maintained; ongoing monitoring by PR Team; appropriate legal advisers appointed; political engagement deployed.
Failure to protect vulnerable groups, to adequately ensure the health, safety and welfare of employees, volunteers and those Quarriers' supports.	Implementation of safeguarding strategy including the introduction of serious incident reviews; proactive health & safety management; 3 rd party assurance work by Insurers.

QUARRIERS STRATEGIC REPORT

Risk	Mitigation
Failure to hit budget leading to additional cashflow pressure.	Regular reporting and monitoring of financial performance; weekly cashflow forecasting; services at risk meetings.
Regarding the operation of the WQSEC: a failure to secure adequate core NHS funding; a failure to meet commercial targets to supplement income from NHS Scotland; and an inability to raise capital for investment in a new or updated telemonitoring system.	New Service Level Agreement negotiated with NHS; ongoing investment in marketing and business development processes to sponsor a capital appeal through the WQSEC Development Group.
Pension Fund: ongoing deficit recovery contributions impact organisational ability to continue as a going concern.	2019 triennial valuation now complete with significant increase in deficit recovery contributions committed.

The controls and mitigating actions are designed to ensure 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.

QUARRIERS

TRUSTEES' 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.

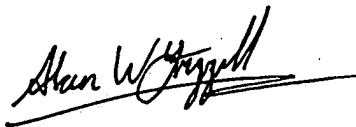
Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 (effective 1 January 2019) "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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors' report (incorporating the Strategic Report) has been approved by the Board and signed on its behalf by:



Alan Frizzell

Chair of Trustees

06 September 2021

QUARRIERS

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 2021 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 2021, 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

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 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.

QUARRIERS

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

Opinion 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.

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 (as amended) 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 23), 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our charity sector knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal invoices; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- inspecting any legal invoices; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

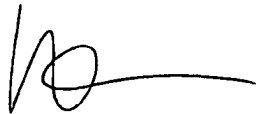
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

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

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 Sinclair BAcc CA (Senior Statutory Auditor)

For and on behalf of
French Duncan LLP
Chartered Accountants and Statutory Auditors
133 Finnieston Street, Glasgow, G3 8HB

13 September 2021

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 2021

		Unrestricted funds			Total	Total
	Note	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	31 March 2021 £'000	31 March 2020 £'000
Income from:						
Donations and legacies	3	1,224	-	56	1,280	1,097
Charitable activities	4	35,145	-	5,610	40,755	41,380
Other trading activities	5	37	-	-	37	185
Investments	6	352	-	-	352	462
Gain on sale of fixed assets		210	-	-	210	-
TOTAL INCOME		36,968	-	5,666	42,634	43,124
Expenditure on:						
Raising donations and legacies	7	436	-	-	436	579
Charitable activities	8	34,649	-	5,218	39,867	44,646
Other trading activities	9	49	-	-	49	77
Investment management costs	10	294	-	-	294	333
Loss on sale of fixed assets		-	-	-	-	79
TOTAL EXPENDITURE		35,428	-	5,218	40,646	45,714
Net income/(expenditure) before investment gains		1,540	-	448	1,988	(2,590)
Net gains/(losses) on investments		1,040	-	-	1,040	(730)
NET INCOME/(EXPENDITURE)		2,580	-	448	3,028	(3,320)
Transfers between funds	24	227	(177)	(50)	-	-
Other recognised losses						
Actuarial losses on defined benefit pension schemes	25	(904)	-	-	(904)	(4,243)
NET MOVEMENT IN FUNDS		1,903	(177)	398	2,124	(7,563)
RECONCILIATION OF FUNDS						
Total funds brought forward at 1 April		123	4,543	2,830	7,496	15,059
Net movement in funds for the year		1,903	(177)	398	2,124	(7,563)
Total funds carried forward 31 March		2,026	4,366	3,228	9,620	7,496

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.

The notes on pages 32 to 52 form part of these financial statements.

QUARRIERS

BALANCE SHEET AS AT 31 MARCH 2021

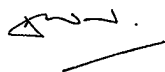
	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Investment properties	17	4,461	4,555
Other tangible fixed assets	17	10,506	11,036
Intangible fixed assets	18	61	-
		<u>15,028</u>	<u>15,591</u>
Investments	19	4,478	4,444
		<u>19,506</u>	<u>20,035</u>
CURRENT ASSETS			
Debtors	20	3,784	3,858
Cash at bank and in hand		3,214	1,904
		<u>6,998</u>	<u>5,762</u>
CREDITORS: amounts falling due within one year	21	(4,515)	(3,981)
NET CURRENT ASSETS		<u>2,483</u>	<u>1,781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,989</u>	<u>21,816</u>
CREDITORS: amounts falling due after more than one year	21	(18)	(233)
NET ASSETS EXCLUDING PENSION DEFICIT		<u>21,971</u>	<u>21,583</u>
PENSION DEFICIT	25	(12,351)	(14,087)
NET ASSETS		<u>9,620</u>	<u>7,496</u>
CAPITAL AND RESERVES		2021 £'000	2020 £'000
Unrestricted funds			
- General reserve	24	14,377	14,210
- Pension scheme reserve	24	(12,351)	(14,087)
		<u>2,026</u>	<u>123</u>
- Designated reserves	24	4,366	4,543
		<u>6,392</u>	<u>4,666</u>
Restricted funds	24	3,228	2,830
TOTAL CAPITAL AND RESERVES		<u>9,620</u>	<u>7,496</u>

The financial statements of Quarriers, registered company number SC014361, were approved and authorised for issue by the Board of Trustees on 06 September 2021.

Signed on behalf of the Board of Trustees by:



Alan Frizzell



David Watt

The notes on pages 32 to 52 form part of these financial statements.

QUARRIERS

CASH FLOW STATEMENT

For the year ended 31 March 2021

	Notes to the cash flow statement	2021 £'000	2020 £'000
Net cash provided/ (used in) operating activities	(i)	<u>2,197</u>	<u>(565)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments (note 6)		352	462
Proceeds from the sale of fixed assets		265	-
Purchase of fixed assets (notes 17 and 18)		(507)	(718)
Proceeds from sale of investments		3,280	1,741
Purchase of investments (note 19)		(2,077)	(389)
Net cash from investing activities		<u>1,313</u>	<u>1,096</u>
Cash flows from financing activities:			
Repayments of borrowing (note 21)		(200)	(200)
Pension Scheme – deficit recovery contributions		(2,000)	-
Net cash used in financing activities		<u>(2,200)</u>	<u>(200)</u>
Net increase in cash		<u>1,310</u>	<u>331</u>
Cash at beginning of year		<u>1,904</u>	<u>1,573</u>
Cash at end of year		<u><u>3,214</u></u>	<u><u>1,904</u></u>

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

	2021 £'000	2020 £'000
Net income/(expenditure) per Statement of Financial Activities	3,028	(3,320)
Adjustments for:		
Depreciation charges (note 17)	814	903
Amortisation and impairment of intangible assets (note 18)	3	387
(Gain)/loss on investments	(1,040)	730
Dividends, interest and rents from investments (note 6)	(352)	(462)
(Gain)/loss on sale of fixed assets	(210)	79
Decrease in debtors	74	201
Increase in creditors	520	76
Pension – net interest on net defined benefit liability (note 25)	290	205
Pension – GMP equalisation (note 25)	(930)	1,186
Pension – difference between service cost and contributions (note 25)	-	(550)
Net cash inflow/(outflow) from operating activities	<u><u>2,197</u></u>	<u><u>(565)</u></u>

QUARRIERS

CASH FLOW STATEMENT For the year ended 31 March 2021

(ii) RECONCILIATION OF NET DEBT

	As at 1 April 2020	Cash- flows	Other non- cash changes	As at 31 March 2021
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash	1,904	1,310	-	3,214
Borrowings				
Loans falling due within one year	(208)	(15)	-	(223)
Loans falling due after more than one year	(233)	215	-	(18)
TOTAL	1,463	1,510	-	2,973

The notes on pages 32 to 52 form part of these financial statements.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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 2019)" 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 2019; and the Companies Act 2006.

Quarriers meets the definition of a public benefit entity under FRS 102.

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 and going concern

The charity's activities and principal risks are described in the strategic report.

The Directors formally consider and assess the going concern position of the charity on a regular basis including reviewing all funding sources such as contracted services, trusts and grants and the continuation of government support measures such as the Coronavirus Job Retention Scheme.

Having considered forecast results including reasonably possible sensitivities including those related to the COVID-19 pandemic, 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 2021 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.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

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 or valuation if transferred from investment properties 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 less their estimated residual values 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.

A review for impairment is carried out if events or changes in circumstances indicate that the carrying value of any tangible fixed asset may not be recoverable.

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 2019, 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 a cyclical professional valuation of properties, an assessment of future rental income, lease expiry dates and benchmarking against the Nationwide House Price Index.

Where an investment property is re-provisioned for care use the carrying value is reallocated to Buildings and treated as deemed cost. Depreciation is then charged from the date of transfer.

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.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

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.

Funds

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.

Restricted funds comprise funds that are subject to specific conditions imposed by the donor on how these funds can be spent.

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 includes 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

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

1. ACCOUNTING POLICIES (CONTINUED)

can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

Of particular significance is the potential impact on the organisation of the Redress (Survivors of In-Care Abuse) (Scotland) Act. This will create a national Redress Scheme that will allow survivors of historical child abuse to seek financial reparation. The directors are required to decide if the organisation's best interests will be served by participating in the scheme, and if so, they are required to quantify an appropriate financial contribution. This matter is dealt with in detail in the Strategic Report and note 29 includes details of the contingent liability.

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. These assumptions will vary from year to year, as will the value of assets, and will be dependent on circumstances at the date of valuation. Refer to note 25 for details of post-retirement benefits.

In accordance with SORP 2019, 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 a cyclical professional valuation of properties, an assessment of future rental income, lease expiry dates and benchmarking against the Nationwide House Price Index.

3. INCOME FROM DONATIONS AND LEGACIES

	2021 £'000	2020 £'000
Individual giving	893	787
Community and corporate fundraising	42	30
Legacies	297	197
Training grants	22	36
Trusts and grant making bodies	26	47
	<u>1,280</u>	<u>1,097</u>

In addition, grants awarded to restricted projects amounting to £1,122,000 (2020 - £829,000) were applied for by the fundraising department and are shown within income from charitable activities.

In 2020, £888,000 of income from donations and legacies was attributable to unrestricted funds and £209,000 was attributable to restricted funds.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Local authority/ NHS fees £'000	Grants £'000	Other funding £'000	Total 2021 £'000	Total 2020 £'000
Adult disability	22,978	61	264	23,303	23,450
Children and families	2,189	3,939	30	6,158	6,285
Epilepsy	4,965	1,803	118	6,886	6,572
Young adults	2,440	1,952	16	4,408	5,073
	<u>32,572</u>	<u>7,755</u>	<u>428</u>	<u>40,755</u>	<u>41,380</u>

In 2020, £35,846,000 of income from charitable activities was attributable to unrestricted funds and £5,534,000 was attributable to restricted funds.

Of the £7,755,000 (2020 - £6,526,000) grants recognised during the year, £7,226,000 (2020 - £5,824,000) related to grant income from Local Authorities and the Scottish Government.

£345,520 of Government grant funding awarded through the national Job Retention Scheme is included within other funding.

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

Funding Body	Project/Service	2021 £	2020 £
Barclays 100x100 UK Covid-19 Community Relief Programme	All Quarriers Services	100,000	-
BBC Children in Need (Main Grant)	Opt-in Early Years	33,003	36,263
BBC Children in Need (Small Grant)	Kinship Care Service	8,000	8,000
Berry Burn Windfarm	Arrows Service	200	-
Big Lottery Fund (Investing in Communities)	Epilepsy Fieldwork	-	66,158
Carers Act Transformations Fund	CATS Project	-	8,943
Cheshire Community Foundation – Assura Fund	Dementia Befriending Service	14,992	-
Children's Aid Scotland	IT Library	4,968	-
Comic Relief	Peri-natal Mental Health – NE Glasgow	-	37,364
Corra Foundation (Drugs Initiative)	Arrows, Moray	46,904	46,904
Creative Scotland	Inclusion Oh Yellow Music Project	-	18,237
Fairer Aberdeen Fund	Aberdeen Carers Service/ Epilepsy Fieldwork Service	10,250	-
Glasgow Children's School Holiday Programme 2021-22	Opt in 2 Communities	5,324	-
Glasgow City Council – Glasgow Communities Fund	Opt in 2 Communities	71,164	-
Glasgow City Council Integrated Grant Funding	Family Support Service	-	105,801
Glasgow City Council Integrated Grant Funding	Quarriers Literacy Project	28,750	57,498
Glasgow City Council Integrated Grant Funding	Opt In South West Education Support	64,265	128,529
Hollywood Trust	Activity Co-ordinator & Refurbishment	-	19,354
Hollywood Trust	D&G Mental Health Post	10,000	11,000
Inspiring Scotland	Intandem Mentoring Programme	43,300	46,058
Life Changes Trust (Befriending and Peer Support)	Dementia Befriending Service	3,747	11,201
Life Changes Trust	Creative and Active	52,300	49,977
Life Changes Trust (Home and Belonging)	Home and Belonging Collaborative	74,031	75,048

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

4. INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

Funding Body	Project/Service	2021 £	2020 £
Scottish Government Building Collaboration	Home and Belonging Collaborative	-	13,750
Scottish Government Children and Families Intervention Fund	Children and Families Inclusion	36,000	45,000
Scottish Government Neurological Framework	Epilepsy Fieldwork	15,351	-
Scottish Government Perinatal and Infant Mental Health Fund	Maternal Wellbeing Service	56,104	-
Scottish Government RRR Fund	Support for those affected by homelessness in Glasgow	5,000	-
Scottish Government Short Breaks Fund (Better Breaks)	Aberdeenshire Carer Service	8,971	-
Scottish Government Short Breaks Fund (Better Breaks)	Moray Carer Service	13,066	-
Scottish Government Short Breaks Fund (Creative Breaks)	Dun Street Social Group	-	5,000
Scottish Government Short Breaks Fund (Creative Breaks)	Time to Live – Aberdeenshire/Moray	85,805	28,479
Scottish Government Short Breaks Fund (Time to Live Breaks)	Aberdeenshire, Aberdeen and Moray Carers Service	42,894	-
Scottish Government Wellbeing Fund	PPE and IT Equipment	100,000	-
Vattenfall Clashindarroch Community Fund	Aberdeenshire Carer Service	2,250	-

5. INCOME FROM OTHER TRADING ACTIVITIES

	2021 £'000	2020 £'000
Major fundraising events	12	98
Conferences, courses and venue hire	25	87
	<u>37</u>	<u>185</u>

In 2020, all income from trading activities was attributable to unrestricted funds.

6. INCOME FROM INVESTMENTS

	2021 £'000	2020 £'000
Dividends	107	175
Bank interest	-	1
Property rental income	245	286
	<u>352</u>	<u>462</u>

In 2020, all income from investments was attributable to unrestricted funds.

7. EXPENDITURE ON RAISING DONATIONS AND LEGACIES

	2021 £'000	2020 £'000
Individual giving	290	440
Community and corporate fundraising	18	20
Legacies	10	4
Trusts and grant making bodies	37	32
Awareness raising	81	83
	<u>436</u>	<u>579</u>

In 2020, all expenditure on raising donations and legacies was attributable to unrestricted funds.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	2021 Direct costs £'000	2021 Support costs £'000	2021 Total £'000	2020 Direct costs £'000	2020 Support costs £'000	2020 Total £'000
Adult disability	22,327	1,519	23,846	24,578	1,700	26,278
Children and families	5,336	295	5,631	6,048	359	6,407
Epilepsy	5,900	351	6,251	6,579	401	6,980
Young adults	3,915	224	4,139	4,709	272	4,981
	<u>37,478</u>	<u>2,389</u>	<u>39,867</u>	<u>41,914</u>	<u>2,732</u>	<u>44,646</u>

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

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

In 2020, £38,808,000 of expenditure on charitable activities was attributable to unrestricted funds and £5,838,000 was attributable to restricted funds.

Quarriers incurred £116,000 in the year (2020 - £49,000) on external legal and other costs to provide evidence at the Scottish Child Abuse Inquiry.

SUPPORT COSTS

	2021 £'000	2020 £'000
Finance	599	501
Governance	190	174
Human resources	636	589
Information technology (including new business system)	155	639
Management and administration	382	386
Communications	73	79
Grant applications	97	63
Property	257	301
	<u>2,389</u>	<u>2,732</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.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

9. EXPENDITURE ON OTHER TRADING ACTIVITIES

	2021 £'000	2020 £'000
Major fundraising events	40	66
Conferences, courses and venue hire	9	11
	<u>49</u>	<u>77</u>

In 2020, all expenditure on other trading activities was attributable to unrestricted funds.

10. EXPENDITURE ON INVESTMENT MANAGEMENT COSTS

	2021 £'000	2020 £'000
Investment manager's costs	23	36
Bank charges and interest payable	15	18
Property rental costs	256	279
	<u>294</u>	<u>333</u>

In 2020, all expenditure on investment management costs was attributable to unrestricted funds.

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/(EXPENDITURE) FOR THE YEAR

	2021 £'000	2020 £'000
Net income/(expenditure) is stated after charging:		
Auditor's remuneration - fee for audit of statutory accounts (inclusive of VAT)	28	28
Depreciation of owned assets	814	903
Amortisation and impairment of intangible assets	3	387
Operating lease rentals - plant and machinery	258	226
- land and buildings	688	869
Directors' and officers' indemnity insurance	14	15
	<u></u>	<u></u>

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

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

	2021 No.	2020 No.
The average monthly number of employees during the year was as follows:		
Administration	152	147
Social care and other	1,410	1,498
	<u>1,562</u>	<u>1,645</u>

Their aggregate remuneration comprised:	2021 £'000	2020 £'000
Wages and salaries	29,613	29,868
Social security costs	2,366	2,375
Pension costs	679	700
	<u>32,658</u>	<u>32,943</u>
Pension costs can be analysed as follows:		
Defined benefit current service cost (see note 25)	-	-
Defined contribution pension costs (see note 25)	679	700
	<u>679</u>	<u>700</u>

In addition to the above pension costs, an actuarial loss of £904,000 (2020 - loss of £4,243,000), net interest cost on the net defined pension liability of £290,000 (2020 - £205,000) and a credit in respect of GMP equalisation costs of (£930,000) (2020 - charge of £1,186,000) have been included within the statement of financial activities.

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:

	2021 No.	2020 No.
£60,000 - £70,000	1	1
£70,000 - £80,000	1	1
£80,000 - £90,000	1	1
£100,000 - £110,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel are listed on page 3. The total remuneration (including pension and employer's national insurance contributions) of the key management personnel of the Charity for the year totalled £400,000 (2020: £389,000).

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 (2020 - £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.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

14. INTEREST RECEIVABLE AND INVESTMENT INCOME

	2021 £'000	2020 £'000
Income from listed investments (see note 6)	107	175
Bank interest receivable (see note 6)	-	1
	<u>107</u>	<u>176</u>

15. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £'000	2020 £'000
Net interest on net pension defined benefit liability	290	205
Pension scheme (credits)/charges - GMP equalisation)	(930)	1,186
Bank loans and overdrafts (see note 10)	<u>15</u>	<u>18</u>
	<u>(625)</u>	<u>1,409</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 2021

17. INVESTMENT PROPERTIES AND OTHER TANGIBLE FIXED ASSETS

	Investment properties	Land and buildings	Motor vehicles	Plant & equipment	Fixtures & fittings	Total Tangible Fixed Assets
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
At 1 April 2020	4,555	20,701	158	3,576	1,697	26,132
Additions	103	178	9	87	66	340
Transfer	-	-	-	-	-	-
Disposals	-	(186)	(32)	-	-	(218)
Revaluation	(197)	-	-	-	-	-
At 31 March 2021	4,461	20,693	135	3,663	1,763	26,254
Accumulated depreciation						
At 1 April 2020	-	10,135	146	3,362	1,454	15,097
Charge for the year	-	542	8	147	117	814
Disposals	-	(131)	(32)	-	-	(163)
At 31 March 2021	-	10,546	122	3,509	1,571	15,748
Net book value						
At 31 March 2021	4,461	10,147	13	154	192	10,506
At 31 March 2020	4,555	10,566	12	215	243	11,036
Net book value of assets used directly for charitable purposes						
At 31 March 2021	-	9,549	7	120	180	9,856
At 31 March 2020	-	9,948	7	194	223	10,372

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

The net book value of leasehold properties included within land and buildings is £111,000 (2020 - £107,000).

Properties held as security for bank borrowing amount to £3.2m (2020 - £2.7m) and pension scheme contingent assets amount to £4.23m (2020 - £4.23m.)

Investment properties were valued by John Kane BSc MRICS of Lambert Smith Hampton and Jamie Savage MSc MRICS of Christie & Co:

Valuation date	Number of properties	Net book value 2021 £'000	Historic cost 2021 £'000	Net book value 2020 £'000	Historic cost 2020 £'000
31 March 2020	9	1,849	907	1,840	898
5 June 2017	1	382	95	382	95
31 March 2021	12	2,230	883	2,333	789
	22	4,461	1,885	4,555	1,782

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

17. INVESTMENT PROPERTIES AND OTHER TANGIBLE FIXED ASSETS (CONTINUED)

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 dates and comparatives within the local market. One investment property is held under an historic agreement that restricts the capital receipt attributable to Quarriers in the event of disposal. This represents £90,000 (2020 - £90,000) of the above carrying amount.

18. INTANGIBLE FIXED ASSETS

	2021 £'000	2020 £'000
Cost		
As at 1 April	1,203	1,194
Additions	64	9
Disposals	(1,203)	-
	<hr/>	<hr/>
As at 31 March	64	1,203
Accumulated amortisation and impairments		
As at 1 April	1,203	816
Amortisation provided during the year	3	44
Disposals	(1,203)	-
Impairment	-	343
	<hr/>	<hr/>
As at 31 March	3	1,203
Net book value		
As at 31 March	<hr/> <hr/> 61	<hr/> <hr/> -

Intangible fixed asset additions comprise the cost of new software. The amortisation charge is included in charitable activities (support costs). Disposals in the year comprise the development costs of a new management information system, which was fully written down in the prior year, now removed from the fixed asset register.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

19. INVESTMENTS

	2021 £'000	2020 £'000
Cost		
As at 1 April	3,840	4,677
Additions	2,077	389
Disposals	(2,275)	(1,226)
	<hr/>	<hr/>
As at 31 March	3,642	3,840
	<hr/>	<hr/>
Composed of:		
Listed investments:		
Listed on London Stock Exchange	973	1,648
Overseas investments	2,667	2,190
Unlisted investments	2	2
	<hr/>	<hr/>
As at 31 March	3,642	3,840
	<hr/>	<hr/>
Market Value		
As at 1 April	4,444	6,250
Additions	2,077	389
Disposals as at 1 April 2020 market value	(2,888)	(1,694)
	<hr/>	<hr/>
	3,633	4,945
Gains/(losses) in the year	845	(501)
	<hr/>	<hr/>
As at 31 March	4,478	4,444
	<hr/>	<hr/>

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>
Gottar Limited	Design and build company.	Scotland
Company Registration No. SC115261	Net liabilities at 31 March 2021 - £1,812 (31 March 2020 – net liabilities £1,863) Profit for the year to 31 March 2021 - £51 (31 March 2020 - £61)	
Strathgryffe Limited	Property management company (for charitable purposes).	Scotland
Company Registration No. SC263231	Net assets at 31 March 2021 - £14,531 (2020 - £13,621).	
OSCR Charity No. SC035170	Profit before tax for the year to 31 March 2021 - £910 (2020 - £910)	

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

20. DEBTORS

	2021 £'000	2020 £'000
Trade debtors	3,369	3,394
Other debtors	28	49
Prepayments and accrued income	387	415
	<u>3,784</u>	<u>3,858</u>

No debtors are due after more than one year.

21. CREDITORS:

AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Bank term loans	223	208
Trade creditors	359	796
Other taxes and social security costs	578	590
Other creditors	1,384	915
Deferred grant income (see note 22)	381	253
Accruals and other deferred income	1,576	1,205
Amounts owed to subsidiary undertakings	14	14
	<u>4,515</u>	<u>3,981</u>

Included within other creditors are pension contributions payable amounting to £168,000 (2020 - £169,000).

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £'000	2020 £'000
Bank term loans due for repayment: -		
Between one and two years	18	215
Between two and five years	-	18
	<u>18</u>	<u>233</u>

The term loan is secured by fixed securities over 4 properties. An additional bank overdraft facility is secured by a standard security over various properties. The term loan is at a fixed interest rate of 3.33% per annum (2020 -3.33% per annum).

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

22. DEFERRED GRANT INCOME

	2021 £'000	2020 £'000
As at beginning of year	253	263
Received during the year	5,205	5,258
Released during the year	(5,077)	(5,268)
As at 31 March	381	253

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.

24. RESERVES

	As at 1 April 2020 £'000	Income £'000	Expenditure £'000	Gains on investment assets £'000	Pension scheme movements £'000	Transfers £'000	As at 31 March 2021 £'000
General reserve	14,210	36,968	(35,428)	1,040	(2,640)	227	14,377
Pension scheme	(14,087)	-	-	-	1,736	-	(12,351)
Designated funds							
Fixed assets fund	4,543	-	-	-	-	(177)	4,366
Total unrestricted	<u>4,666</u>	<u>36,968</u>	<u>(35,428)</u>	<u>1,040</u>	<u>(904)</u>	<u>50</u>	<u>6,392</u>
Restricted funds	<u>2,830</u>	<u>5,666</u>	<u>(5,218)</u>	<u>-</u>	<u>-</u>	<u>(50)</u>	<u>3,228</u>
Total funds	<u>7,496</u>	<u>42,634</u>	<u>(40,646)</u>	<u>1,040</u>	<u>(904)</u>	<u>-</u>	<u>9,620</u>

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

24. RESERVES (CONTINUED)

	As at 1 April 2019 £'000	Income £'000	Expenditure £'000	(Losses) on investment assets £'000	Pension scheme movements £'000	Transfers £'000	As at 31 March 2020 £'000
General reserve	15,997	37,381	(39,876)	(730)	841	597	14,210
Pension scheme	(9,003)	-	-	-	(5,084)	-	(14,087)
Designated funds							
Fixed assets fund	4,680	-	-	-	-	(137)	4,543
Total unrestricted	<u>11,674</u>	<u>37,381</u>	<u>(39,876)</u>	<u>(730)</u>	<u>(4,243)</u>	<u>460</u>	<u>4,666</u>
Restricted funds	<u>3,385</u>	<u>5,743</u>	<u>(5,838)</u>	<u>-</u>	<u>-</u>	<u>(460)</u>	<u>2,830</u>
Total funds	<u>15,059</u>	<u>43,124</u>	<u>(45,714)</u>	<u>(730)</u>	<u>(4,243)</u>	<u>-</u>	<u>7,496</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.

25. EMPLOYEE RETIREMENT BENEFITS

Defined contribution scheme

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

	2021 £'000	2020 £'000
Auto-enrolment scheme	496	500
Stakeholder scheme	27	35
Quarriers defined contribution scheme	156	165
	<u>679</u>	<u>700</u>

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

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

25. EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

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 £2,000,000 (2020 - £550,000). Contributions amounting to £Nil (2020 - £46,000) were payable to the fund at 31 March 2021. 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 2019 was formalised on 28 January 2021. Under the funding schedule agreed with the scheme trustees, Quarriers aims to eliminate the current deficit over the next 12 years. The estimated amounts of contributions expected to be paid to the scheme during the year ended 31 March 2022 is £1,000,000.

Actuarial valuation

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

	2021 %	2020 %
Rate of inflation (RPI)	3.50	2.70
Salary increase rate (CPI)	2.50	2.00
Increases for pensions in payment - RPI maximum 5% per annum	3.10	2.70
- RPI maximum 2.5% per annum	2.05	2.10
Liability discount rate	2.05	2.30
Mortality assumptions - life expectancy on retirement	2021 Years	2020 Years
Pensioners – male	21.2	21.2
Pensioners – female	23.6	23.5
Non-pensioners - male	22.2	22.2
Non-pensioners - female	24.8	24.8

These assumptions will vary from year to year, as will the value of assets, and will be dependent on circumstances at the date of valuation. Since the year end there has been only slight volatility in market assumptions and discount rates are relatively unchanged. Also, the value of the Scheme's assets has not changed significantly since 31 March 2021.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

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:

	2021 £'000	2020 £'000
Equities	28,357	24,128
Bonds	22,864	22,097
Cash	686	175
Total fair value of assets	51,907	46,400
Present value of scheme liabilities	(64,258)	(60,487)
Deficit in the scheme	(12,351)	(14,087)

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

	2021 £'000	2020 £'000
Current service cost	-	-
Service cost – scheme administrative cost	-	-
GMP equalisation	(930)	1,186
Net interest on the net defined benefit liability	290	205
Net cost recognised within net income/(expenditure) for the year	(640)	1,391
Actuarial losses	904	4,243
Total cost relating to defined benefit scheme recognised in the Statement of Financial Activities	264	5,634

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

25. EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

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

	2021 £'000	2020 £'000
Assets at 1 April	46,400	47,696
Actual return on plan assets	4,041	(1,354)
Interest income on scheme assets	1,072	1,109
Employer contributions	2,000	550
Employee contributions	-	-
Scheme administrative cost	-	-
Benefits paid	(1,606)	(1,601)
	<u>51,907</u>	<u>46,400</u>
Assets at 31 March		

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

	2021 £'000	2020 £'000
Liabilities at 1 April	60,487	56,699
Current service cost	-	-
Interest cost	1,362	1,314
Employee contributions	-	-
Actuarial loss	4,945	2,889
Scheme changes (GMP Equalisation)	(930)	1,186
Benefits paid	(1,606)	(1,601)
	<u>64,258</u>	<u>60,487</u>
Liabilities at 31 March		

The impact of the pension deficit on unrestricted funds at 31 March 2021 is as follows:

	2021 £'000	2020 £'000
Unrestricted funds excluding pension deficit	18,743	18,753
Pension deficit	(12,351)	(14,087)
	<u>6,392</u>	<u>4,666</u>
Unrestricted funds including pension deficit		

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 March 2021

26. FINANCIAL COMMITMENTS

Operating lease commitments

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

	2021 Land & buildings £'000	2021 Other £'000	2020 Land & buildings £'000	2020 Other £'000
Within one year	157	126	124	130
Between two and five years	143	214	13	239
After five years	16	-	-	-
	<u>316</u>	<u>340</u>	<u>137</u>	<u>369</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 2021 (2020 - £4.23m).

27. SUBSIDIARY COMPANY TRANSACTIONS

During the year the company made purchases of a total value of £7,000 (2020 - £7,000) from Gottar Limited, a subsidiary company, and made sales to Gottar Limited of a total value of £5,000 (2020 - £5,000).

At 31 March 2021, the company owed £Nil to Gottar Limited (2020 - £Nil).

During the year the company made purchases of a total value of £19,000 (2020 - £19,000) from Strathgryffe Limited, a subsidiary company, and made sales to Strathgryffe Limited of a total value of £18,000 (2020 - £18,000).

At 31 March 2021, the company owed £14,000 to Strathgryffe Limited (2020 - £14,000).

28. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year to 31 March 2021 (2020 - none).

29. CONTINGENT LIABILITY

As noted in the Strategic Report, Quarriers is a Core Participant in the Scottish Child Abuse Inquiry. Concurrently, the Scottish Parliament has enacted legislation to provide survivors of abuse with the opportunity to seek redress through a national Redress Scheme. The legislation creates Redress Scotland, which will allow survivors of abuse to seek financial reparation.

Quarriers supports the rights of survivors to seek justice, apology and redress – and we reiterate our apology to anyone who suffered abuse while in our care. Our aspiration is to participate in the scheme, and we continue to work with Scottish Government officials to help create the conditions that will allow for our participation. The organisation recognises the importance of being accountable for historical abuse - but we will also ensure that our charitable mission is not endangered by the terms of participation. As such, we are unable to quantify the timing and amount of any liability.

In addition, Quarriers may have a liability in respect of compensation payments to survivors pursuing a civil action. We continue to work with our insurer to establish what, if any, uninsured liability exists.

QUARRIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

30. POST BALANCE SHEET EVENTS

Since the year-end, while Covid 19 restrictions remain in force, these are now beginning to be relaxed and as such, we continue to plan for the resumption of normal operational activity in the third quarter. The directors have determined that these events are non-adjusting subsequent events and as such, the results for the year ended 31 March 2021 have not been adjusted to reflect their impact. The uncertainty around impact and duration of the pandemic means it is not possible to reliably estimate the effect on future results.