



SC125367

The Redwoods Caring Foundation  
ANNUAL REPORT & ACCOUNTS

2003 - 2004



THE REDWOODS CARING FOUNDATION  
6 LINDSAY ROAD  
EDINBURGH, SC12 5JG  
Tel: 0131 601 1111  
Fax: 0131 601 1112  
Email: [info@redwoodscaring.org.uk](mailto:info@redwoodscaring.org.uk)  
Website: [www.redwoodscaring.org.uk](http://www.redwoodscaring.org.uk)

# THE REDWOODS CARING FOUNDATION

Company registered in Scotland No. 125367  
(Limited by Guarantee)

## *MISSION STATEMENT*

Redwoods is committed to providing a range of sensitive and flexible services for people with learning disabilities, including residential, day services and residential short breaks in the Lothians. Those for whom Redwoods care are encouraged and assisted to reach their maximum potential in terms of their spiritual, emotional and physical wellbeing.

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### BANKERS

Bank of Scotland  
Dalry Road Branch  
1 Ardmillan Terrace  
EDINBURGH  
EH11 2JN

### SOLICITORS

Beveridge, Philip & Ross  
22 Bernard Street  
Leith  
EDINBURGH  
EH6 6PP

### ACCOUNTANT

William Davidson  
Inchgarvie  
68 Edgehead Road  
Edgehead  
Pathhead  
Midlothian  
EH37 5RJ

### AUDITOR

Neil C Andrew  
2 Murieston Road  
EDINBURGH  
EH11 2JH

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## ANNUAL REPORT 2004

### Review of the Year

In Redwoods we recognise that we really are privileged: we are working alongside some of the most patient and resilient people we have ever met; we are participating in providing a fulfilled lifestyle for people within the community; we are working in staff teams with such inspiring commitment and endurance and we are co-working with an amazing God who has given us vision and this patience, resilience and determination and an opportunity to be a part of the fulfilment of His plans and purposes for Redwoods and all those people it supports.

Over the last year patience, resilience and persistence have been the hallmarks of life in Redwoods. We have experienced many situations which have tried and tested all of these characteristics.

We recognise that we live in a fast-moving world where demands and results are often required and delivered instantly. However we serve a loving God who takes time to do things right – His timing does not often appear to resemble our timescales! God has an amazing plan and purpose for each person on the face of the earth. We already know something of the plans and purposes He has for the people for whom Redwoods cares, and the staff teams.

Over the last year we have seen the fruition of some plans that have patiently been worked on for years by those we care for: two ladies enjoying holidays in Paris; others have accomplished ambitions to live more independently; others have painted a most beautiful picture, created appetizing meals, watched an international rugby match, successfully attended college courses, got a job ... the list is endless. Lying behind each apparently small achievement is a bedrock of incredible patience, resilience and persistence. Many times staff will say:

*"I am learning more about character development from those I care for than any other experience I have had in life"*

Patience is not just the ability to wait ... it is the ability to keep a good attitude whilst waiting.

Throughout Redwoods over the last year, some staff have moved on to pastures new and God has been faithful in his provision of new members of staff. In this area we have had to exercise patience and persistence because we have often had to wait some months before the vacancy has been filled – but then it has been by the right person whom God has been preparing to join Redwoods. In many ways this has not been easy, but at the same time we are aware that these characteristics have been growing in us.

The managers and their teams are to be honoured and esteemed for the creative ways that they have continued to provide care and support for people, which reflects God's heart.

The international flavour of Redwoods continues to develop as we have been privileged to be joined by staff from Poland and Uganda.

Three managers began study toward the Registered Managers Award and it is anticipated that they will have all gained this award in the next 18 months.

Redwoods continues to work in partnership with Midlothian and City of Edinburgh councils. We value and appreciate all the support and input that we have had from other agencies working in the field of Learning Disabilities, and honour God for His faithfulness in the continued provision of staff, finances and vision.

### **Finances**

This year has seen an overall surplus of £63,874, with an overall increase in net assets to £512,613.

### **Future Developments**

The next year will again see God bring about many of the dreams and plans which people and staff have patiently, resiliently and persistently worked towards.

The China Wall Challenge has now been rescheduled for 2005 and much dedicated planning has gone into this adventure, which will result in significant funding to go towards creating a much needed activities centre in the grounds of Redwoods House.

We are also developing a music project: creating a dedicated space where people can be given the opportunity to experience, enjoy and express themselves through music. As well as enabling Redwoods to offer an additional and valuable facility we hope this will also, in time, become a resource for the local community. Fundraising is already underway and we are excited at how God will use this project as part of His plans for Redwoods.

Over the last year we recognise that God has taken every opportunity to develop in us patience, resilience and persistence, both individually and corporately. We are so grateful to God that He is the main direction of Redwoods. It was his idea in the first place and His plan for Redwoods is coming closer to fruition. Until that is accomplished, all in Redwoods agree:

***"We are not quitters who lose out. Oh no! We'll stay with it and survive,  
trusting all the way"***  
*The Message*

### **Directors**

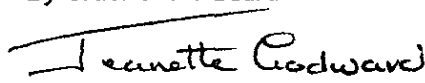
The directors who served during the year were:

Brian J Hayes A.M.B.C.  
Shirley Hayes  
Jeanette C Godward R.G.N., Operations Director  
Rosalind Brown R.G.N., M.Sc, Director of Care Services

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**Registered Office**  
Kirk Farm House  
6 Lasswade Road  
EDINBURGH  
EH16 6RZ

**By Order of the Board**

  
Jeanette C Godward – Director

Date – 22/9/14...

# **THE REDWOODS CARING FOUNDATION**

## **Risk Assessment & Reserves Policies**

- ◆ The Redwoods Caring Foundation has undertaken an assessment of the principal risks to which we are exposed, and has taken action to mitigate such risks.
- ◆ The Redwoods Caring Foundation has no investments or reserves, other than ownership of some of the properties required to provide its services. Funds required to cover cash flow time lags are provided by bank overdraft, secured on these properties. The Board considers that the overdraft limit is adequate to meet requirements for the foreseeable future. There is, however, a continued fund-raising to reduce, and if possible remove, dependency on bank borrowing.

**THE REDWOODS CARING FOUNDATION**  
**Company Limited by Guarantee**

***DIRECTORS' RESPONSIBILITIES***

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

# THE REDWOODS CARING FOUNDATION

*Company Limited by Guarantee*

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**For the year ended 31 March 2004**

I have audited the financial statements of The Redwoods Caring Foundation (Company Limited by Guarantee) for the year ended 31 March 2004 set out on pages 7 to 13. These financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Small Entities and the accounting policies set out from page 10.

### **Respective Responsibilities of Directors and Auditors**

As described in the Statement of Directors' Responsibilities the charitable company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Auditing Standards.

I report to you to give you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you if, in my opinion, the Directors' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

I read the Directors' Report and consider the implications for my report if I become aware of any apparent misstatements within it.

### **Basis of opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosure in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

### **Opinion**

In my opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 March 2004, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended. They have been properly prepared in accordance with the Companies Act 1985.

(signed) Neil C. AL

(date) 22.9.2004

Neil C Andrew C.A.  
Registered Auditor  
2 Murieston Road  
EDINBURGH  
EH11 2JH

**THE REDWOODS CARING FOUNDATION**  
Company Limited by Guarantee

**STATEMENT OF FINANCIAL AFFAIRS**  
for the year ended 31 March 2004

		2004			2003
		£	£	£	£
		Unrestricted	Restricted	Total	Total
	Note	Funds	Funds	Funds	Funds
<b>INCOMING RESOURCES</b>	2				
Donations, Legacies and Similar		5,174	1,720	6,894	19,819
<b>Operating Activities</b>					
<i>In furtherance of the objectives</i>					
Client/SW Income		14,935	1,034,072	1,049,007	969,866
<b>Investment Income</b>					
Interest Receivable		1,724	155	1,880	1,453
<b>Other Incoming Resources</b>					
Rent / Building usage		34,895	0	34,895	29,440
<b>TOTAL INCOMING RESOURCES</b>	15	56,729	1,035,948	1,092,676	1,020,578
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Fundraising		640	0	640	0
<b>Charitable Expenditure</b>					
<i>Activities in furtherance of the objectives</i>					
Direct Charitable Expenditure		152,790	873,358	1,026,148	948,251
<b>Management &amp; Admin</b>					
Interest Payable		0	382	382	1,746
Audit fees		0	1,633	1,633	1,716
<b>TOTAL RESOURCES EXPENDED</b>	15	153,430	875,373	1,028,802	951,712
<b>Net Incoming/(Outgoing) Resources before transfers</b>		(96,701)	160,575	63,874	68,866
Transfers between funds		178,063	(178,063)	0	0
<b>Net Incoming/(Outgoing) Resources</b>	15	81,361	(17,488)	63,874	68,866
Fund balances brought forward at 1 April 2003	14	240,134	208,190	448,324	379,459
Correction to Unrestricted Funds (see note 14)		415	0	415	0
<b>Fund balances carried forward at 31 March 2004</b>		321,911	190,702	512,613	448,324

The notes on pages 10 to 13 form part of these accounts



**THE REDWOODS CARING FOUNDATION**  
Company Limited by Guarantee

**INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 March 2004

		2004 £	2003 £
INCOME	2	1,090,797	1,019,125
OPERATING COSTS		<u>(1,028,420)</u>	<u>(949,966)</u>
OPERATING SURPLUS / (DEFICIT)		62,377	69,159
INTEREST RECEIVABLE	8	1,880	1,453
INTEREST PAYABLE	9	<u>(382)</u>	<u>(1,746)</u>
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		63,874	68,866
BALANCE BROUGHT FORWARD	14	<u>448,324</u>	<u>379,459</u>
CORRECTION TO UNRESTRICTED FUNDS	14	415	0
BALANCE CARRIED FORWARD		<u>512,613</u>	<u>448,324</u>

All amounts relate to continuing operations.  
There are no recognised gains or losses other than the profit for the year.

The notes on pages 10 to 13 form part of these accounts

# THE REDWOODS CARING FOUNDATION

Company Limited by Guarantee

## BALANCE SHEET as at 31 March 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		330,804		340,292
CURRENT ASSETS					
Stock		3,188		3,758	
Debtors	11	117,061		55,675	
Loans		700		0	
Bank current account		90,859		98,294	
Deposit Account		1,659		6,691	
Unit imprest accounts		4,592		3,774	
Cash in hand		851		834	
		<u>218,910</u>		<u>169,025</u>	
CREDITORS					
Amounts falling due within one year	12	(37,102)		(60,992)	
NET CURRENT ASSETS			<u>181,809</u>		<u>108,033</u>
TOTAL NET ASSETS			512,613		448,324
CREDITORS					
Amounts falling due after more than one year	12		<u>0</u>		<u>0</u>
NET ASSETS			<u>512,613</u>		<u>448,324</u>
CAPITAL AND RESERVES	14				
Unrestricted funds			321,911		240,134
Restricted funds			<u>190,702</u>		<u>208,190</u>
			<u>512,613</u>		<u>448,324</u>

Approved by the board on (date)  
and signed on its behalf by:

*Jeanette Godward* 22/9/4

Jeanette Godward  
(Director)

The notes on pages 10 to 13 form part of these accounts

**THE REDWOODS CARING FOUNDATION**  
Company Limited by Guarantee

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2004

**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material to the Company's affairs.

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) Fixed assets and depreciation

Fixed assets are stated at cost and are written off over their estimated useful lives on a straight line basis at the following rates:

Freehold land and buildings	2%
Leasehold improvements	Over the length of the lease
Furnishings and equipment	25%
Motor Vehicles	25%

c) Income

Income comprises funding from central and local government, plus donations and grants and other income derived from fundraising. All income is credited to the Profit and Loss Account in the year it is received.

d) Taxation

The Redwoods Caring Foundation has been given charitable status and exemption from Income Tax under Section 505 of the Income and Corporation Taxes Act 1988.

e) Refurbishment Expenditure

In order that the Net Book Value of Redwoods House remains in line with the current market value, all expenditure on the refurbishment of Redwoods House during 1993 and 1994 was charged to the Profit and Loss Account in the year it was incurred. During the period 1995/96 part of the refurbishment costs incurred were capitalised in line with the increased market value.

**2. INCOME**

The analysis of income by source was as follows:

	£	2004 £	£	2003 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Donations & Appeals	5,174	1,720	6,894	19,819
Operating Activities Income (Clients/SW)	14,935	1,034,072	1,049,007	969,866
Other Income (e.g. Building usage)	34,895	0	34,895	29,440
	<u>55,004</u>	<u>1,035,792</u>	<u>1,090,797</u>	<u>1,019,125</u>

	2004	2003
<b>3. SURPLUS ON ORDINARY ACTIVITIES</b>		
	£	£
Surplus on ordinary activities is stated after charging the following:		
Depreciation (incl. gain on disposable assets) (Note 10)	17,897	18,581
Auditors' remuneration	1,633	1,716
Staff costs (Note 4)	755,058	681,209
<b>4. STAFF PARTICULARS</b>		
	£	£
Staff costs comprised:		
Staff Salaries	657,063	617,820
Agency staff costs	27,103	
Social Security costs	57,753	49,032
Pension costs	13,139	14,357
	<u>755,058</u>	<u>681,209</u>
The number of employees at the year end (whole time equivalent) was:	<u>37.3</u>	<u>38.32</u>
<b>5. RELATED PARTY TRANSACTIONS</b>		
Related party transactions with Edinburgh City Fellowship during the year consisted of the following:		
	2004	2003
	£	£
Donation from Edinburgh City Fellowship	0	10,000
Shared salary of treasurer (paid to Edinburgh City Fellowship)	<u>0</u>	<u>0</u>
<b>6. DIRECTORS' EMOLUMENTS</b>		
Two directors are employed in managerial capacities, and are included in Note 4 above.		
All salaries fall in the lowest £0 - £40,000 band.		
	£	£
Salaries	61,442	60,358
Social Security costs	6,680	6,042
Pension costs	<u>2,442</u>	<u>2,382</u>
	<u>70,564</u>	<u>68,782</u>
<b>7. PENSION COSTS</b>		
All employees are encouraged to contribute to their own Personal Pension Plan. The company makes an additional contribution, currently 4% of salary, after 2 years of continuous employment.		
<b>8. INTEREST RECEIVABLE</b>	2004	2003
	£	£
This represents interest receivable on bank deposits:	1,880	1,453
<b>9. INTEREST PAYABLE AND SIMILAR CHARGES</b>	2004	2003
	£	£
Interest payable and similar charges comprised:		
On bank overdraft wholly repayable within five years	0	135
Interest on other loans	<u>382</u>	<u>1,611</u>
	<u>382</u>	<u>1,746</u>

# 10. TANGIBLE FIXED ASSETS

	<u>Freehold Land &amp; Buildings</u>	<u>Leasehold Improve- ments</u>	<u>Furnish- ings &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£
<b>COST</b>					
Opening Balance	417,553	21,590	47,279	29,828	516,250
Additions	0	0	8,410	0	8,410
Disposals	0	0	(1,639)	0	(1,639)
Closing Balance	<u>417,553</u>	<u>21,590</u>	<u>54,049</u>	<u>29,828</u>	<u>523,020</u>
<b>AGGREGATE DEPRECIATION</b>					
Opening Balance	92,014	18,002	46,362	19,580	175,958
Charge for year	8,351	799	1,290	7,457	17,897
Charged on disposal	0	0	(1,639)	0	(1,639)
Closing Balance	<u>100,365</u>	<u>18,801</u>	<u>46,013</u>	<u>27,037</u>	<u>192,216</u>
<b>NET BOOK VALUE</b>					
Opening Balance	<u>325,539</u>	<u>3,588</u>	<u>917</u>	<u>10,247</u>	<u>340,292</u>
Closing Balance	<u>317,188</u>	<u>2,789</u>	<u>8,036</u>	<u>2,791</u>	<u>330,804</u>

## Freehold Land and Buildings

Freehold land and buildings are included in the accounts at cost (less depreciation) and it is the directors' intention that this should continue. However the estimated market values of the three freehold properties are as follows:

Redwoods House, Newbattle Road, Newtongran (valued November 2000)	£450,000
Redwoods House - Caretaker's house (valued March 1996)	£60,000
12 Paisley Drive, Edinburgh (valued August 1999)	£165,000

There is a Standard Security in favour of the Secretary of State for Scotland for the grant provided for the refurbishment of Redwoods House to the sum of £267,843 if Redwoods ceases to provide residential care accommodation within 15 years from May 1995. This security is postponed to the Bank of Scotland.

As a result of this unexpired grant a realisable value of £290,000 may be stated, to reflect the potential liability under this security.

	<b>2004</b>	<b>2003</b>
	£	£
<b>11. DEBTORS</b>		
Sundry Debtors	1,047	7,555
Accrued income	112,995	45,364
Prepayments	<u>3,019</u>	<u>2,756</u>
	<u>117,061</u>	<u>55,675</u>

The amount of debtors falling due after more than one year was nil.

	<u>Amounts falling due within one year</u>		<u>Amounts falling due after more than one year</u>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	£	£	£	£
<b>12. CREDITORS</b>				
Bank - current account	-	-	0	0
Trade creditors	37,102	50,219	0	0
Other creditors and term loans	<u>0</u>	<u>10,774</u>	<u>0</u>	<u>(0)</u>
	<u>37,102</u>	<u>60,992</u>	<u>0</u>	<u>(0)</u>

The bank overdraft and term loans are secured by a charge over the company's properties.

"Other creditors and term loans" include:

- Redwoods House: Term Loan of £150,000 taken over 5 years from December 1995.
- Redwoods House: Deferred capital payment of £15,280
- 12 Paisley Drive: Term Loan of £40,000 taken over 10 years from December 1995
- 41 Reed Drive: Term Loan of £20,000 taken over 3 years from June 1998 for furnishing the property

### 13. LEASE COMMITMENTS

The company had operating leases commitments to pay during the next year in respect of property, vehicle and equipment leases:

	2004	2003
	£	£
Expiring between two and five years	24,677	24,644
Expiring in more than five years	0	8,530
	<u>24,677</u>	<u>33,174</u>

### 14. CAPITAL AND RESERVES

	£	2004	£	2003
		£		£
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Opening Balance	240,134	208,190	448,324	379,459
Retained surplus / (deficit) for the year	81,361	(17,488)	63,874	68,866
Historical error correction to reserves	415	0	415	
Closing balance	<u>321,911</u>	<u>190,702</u>	<u>512,613</u>	<u>448,324</u>

A correction was made due to a historical error, whereby the loan account incorrectly showed a brought forward balance of £415. This amount has been transferred from loans to reserves on Unrestricted funds.

### 15. RESTRICTED FUNDS

Each residential and day services unit is separately funded, and consequently each unit is treated as a Restricted Fund.

	Balance	Movement in Funds				Balance
	at 1 Apr '03	Incoming Resources	Outgoing Resources	Management Charges	Asset Transfers (see explanation below)	at 31 Mar '04
Unit/Fund	£	£	£	£		£
Telferton	6,787	133,582	(116,295)	(12,415)		11,659
Paisley Drive	144,768	217,676	(162,785)	(17,645)	(78,934)	103,080
Ash Lea	4,441	272,247	(227,673)	(24,082)		24,934
The Beeches	1,945	309,177	(268,155)	(28,197)		14,770
Oakview	33,220	103,185	(100,465)	(11,678)		24,262
Art Room	9,478	0	0	0		9,478
Small Project Fund	860	0	0	0		860
Elderly/Housing	<u>6,691</u>	<u>80</u>	<u>0</u>	<u>0</u>	<u>(5,112)</u>	<u>1,659</u>
	<u>208,190</u>	<u>1,035,948</u>	<u>(875,373)</u>	<u>(94,017)</u>	<u>(84,046)</u>	<u>190,702</u>

It should be noted that balances carried forward on each unit are not cash balances, but part of the capital funds tied up in the fixed assets required to run the unit.

Following the full repayment of the mortgage on 12 Paisley Drive, a decision has been taken by the Board to transfer the balance of these receipts, less depreciation charged on the property and deducted from Restricted Funds, to Unrestricted Funds.

A replacement garage roof for Redwoods House has been capitalised and held on Unrestricted Funds. A decision has been taken by the Board to fund this from the Elderly/Housing restricted fund (minuted 30/01/03), and a transfer has therefore taken place to Unrestricted Funds to cover this.