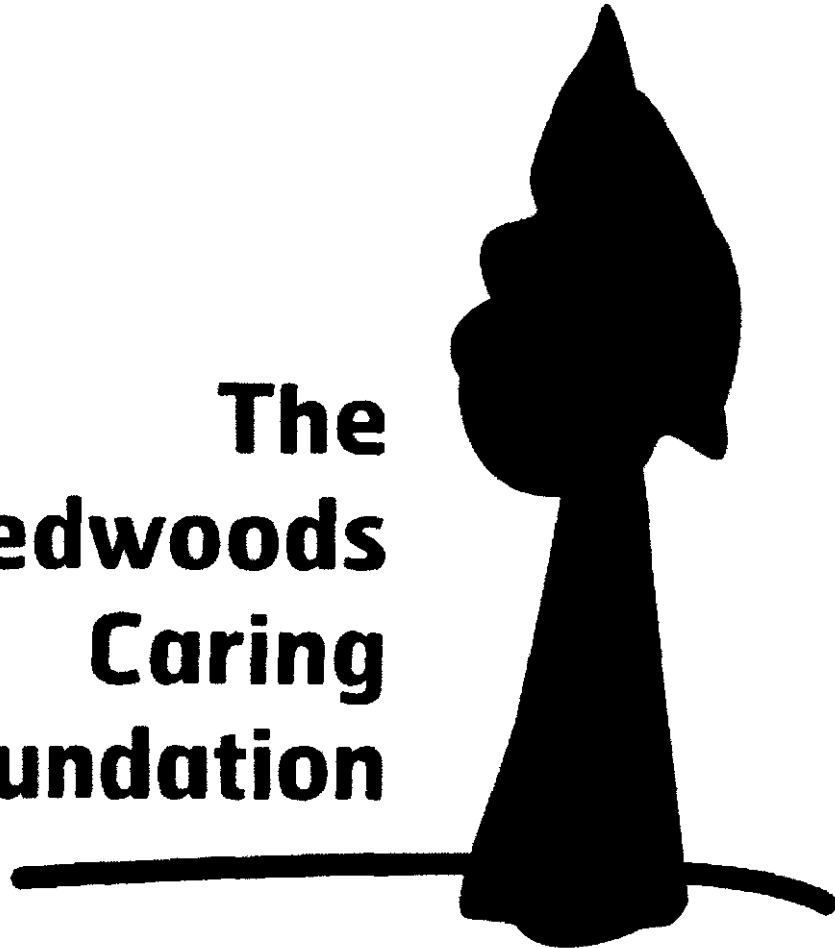


The Redwoods Caring Foundation



**annual report and accounts
2007 - 2008**

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COMPANIES HOUSE

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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 , Director of Care Services

COMPANY DETAILS

Registered Office

Kirk Farm House, 6 Lasswade Road, Edinburgh EH16 6RZ

Registered Scottish Charity

Charity No SC013566

Company Registered in Scotland (Limited by Guarantee)

Company No 125367

PROFESSIONAL SERVICES

Bankers

Royal Bank of Scotland, 30 Nicolson Street, Edinburgh EH11 2JN

Solicitors

Beveridge, Philp & Ross, 22 Bernard Street, Edinburgh EH6 6PP

Accountant

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

Auditor

Neil C Andrew, 2 Mureston Road, Edinburgh EH11 2JH

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Redwoods Caring Foundation is a charity registered in Scotland, and registered company, established in 1985, whose aims were stated in its Memorandum & Articles of Association to be the provision of care and support for people with learning disabilities. This document also clearly sets out the charity's Christian ethos.

The charity is governed by a Board of Directors, as set out above. Board meetings are held on a bi-monthly basis. The Board decides matters of strategy and overall policy, sets and monitors budgets, and ensures that the day to day operations of the charity are in line with its stated mission statement, vision and values. It is also served by a Senior Manager and Finance Officer from within the organisation, who are available to report and advise as required.

The induction process for newly appointed Directors includes meetings with the existing Board members as well as the provision of documentation: the founding documents, relevant minutes, a history of the organisation, and recent annual reports and accounts.

Risk Assessment

The Redwoods Caring Foundation has undertaken an assessment of the principal risks to which we are exposed, and has taken action to mitigate against such risks.

Reserves Policy

The Redwoods Caring Foundation does not have a separate reserve fund, and has no investments other than those required for direct service provision, including the purchase of land and buildings and other capital assets. Cash balances are held in the bank as working capital.

Each service is treated as a separate restricted fund. When new services are introduced they will not have a surplus income and may need to be supported from central funds.

however a surplus may be built up gradually over time. We consider that each unit should ideally hold within its own funds sufficient cash balances to cover 3 months budgeted income, since the unit may have to cover the cost of protracted client vacancies as well as exceptional staff and other costs. We consider that 3 months budgeted income to be sufficient for this purpose, and where the balance exceeds this amount, a portion of the excess may be transferred to any other fund within The Redwoods Caring Foundation as required. This is

also to ensure that any funds held are being used in the most effective way to further the charity's objectives.

All land and building owned by Redwoods is held as part of the unrestricted funds, apart from new developments which must be held as distinct restricted funds for such time as they are the subject of specific fundraising. A major part of the income to unrestricted funds comes from management charges on the service units, and provided that there are sufficient reserves in the service units to cover any client vacancies, this is reasonably predictable. The expenditure from unrestricted funds is, however, subject to a considerable level of uncertainty, since it is necessary to meet, for example, the cost of building repairs, which cannot all be planned in advance.

In order to provide new services, bank or mortgage borrowing will often be necessary to fund part of the cost. It is not considered necessary to retain a positive cash balance in unrestricted funds since these are offset by the capital value of buildings, on which capital could be raised if necessary by mortgage or, should any service be discontinued, by sale. It is, however, considered prudent to restrict the amount of borrowing by Central Services to 50% of the book value (market value) of assets held as land and buildings.

MISSION STATEMENT

The Redwoods Caring Foundation 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.

REVIEW OF THE YEAR

When we review this last year we can truly stand back in amazement and marvel at what God has done in the lives of the people Redwoods supports and in the lives of the entire staff team.

When God created man, He was pleased with what He had done. From the beginning of time God has been pleased with His creation. It is therefore marvellous to reflect on God's pleasure in each person associated with Redwoods.

It was God's first commandment to "be fruitful" (Genesis 1:28), and we have seen over this year much fruitfulness being displayed in and through the lives of the people Redwoods is so privileged to support.

When we consider God's pleasure and the fruitfulness He has brought forth in people's lives, it takes our eyes off the everyday struggles that, as a voluntary organisation, we experience from the effects of major budget and resource restrictions and places our thoughts and reflections in an eternal realm.

God's pleasure is made known to us all as we experience His incredible love. It is our intention that everyone who comes into contact with Redwoods experiences the love of God, whether in word or deed.

The challenge we have faced in Redwoods over this last year has been how to creatively support and encourage the people we work with to be fruitful, and as staff how to be fruitful ourselves

Fruitfulness

Fruitfulness is about achievements or, in more mundane terms, producing results. And while we can list results and rehearse achievements, what we want to focus on is marvelling at the fruitfulness of lives that have been supported, loved and encouraged to be all that they can be

There is no doubt that all the people that Redwoods supports demonstrate and share patience, joy, love, peace, determination, compassion, energy, resilience – all God-given attributes that we marvel at

The fruit that each person yields is a contribution with which everyone in Redwoods is involved and benefits from. When someone is facing difficult situations another will release joy or humour or peace

Sadly one of the gentlemen we have had the privilege of caring for for 11 years died in February. His life was truly fruitful and that shapes the wonderful memories we have of him – great humour, kindness, contentedness. His life really counted

The staff in Redwoods are an amazing group of people. We honour them all for their commitment, tenacity, patience and compassion

They too have been fruitful, in gaining SVQ awards, achieving positive outcomes for the people they support, but most of all they all demonstrate the fruit that is mentioned in the bible which includes love, joy, peace, patience – and they give it away selflessly to those they support and those with whom they work

Challenges

Redwoods has faced serious challenges in relation to funding, and if we focused on those alone we would be downtrodden – but, because daily we see that the fruit in many people's lives is changing situations, we are confident that we will find a way through these most challenging of times

FINANCIAL REVIEW

Redwoods has produced accounts in accordance with all current statutory requirements and regulations

The organisation's income in 2007/8 was £1,181,183, and total expenditure was £1,186,545. This resulted in an overall loss for the year of £5,362, and therefore a decrease in net assets to £632,628

Redwoods continues to receive the majority of its funding from the local authority Social Work Department, but we remain extremely thankful for the generous donations we have received over the course of the year

FUTURE PLANS

Redwoods Music & Arts Project

Through the course of the year we received final confirmation that planning permission would not be granted for us to complete the building work as originally planned. This has caused us to have to rethink how to achieve the plans we had made for this exciting venture. While it has been disappointing to experience delays, we will now be able to include the Music & Arts facility in the wide-ranging service review (see below)

Meanwhile a member of staff has commenced their training in Music Therapy, which will hopefully benefit the organisation in the year to come, and beyond

Redwoods remains committed to the vision of this project, and the fruit that we believe it will bring to yield in the lives of those we support

Service Review

We have begun a two year process across the organisation to review the service we currently provide and to identify the 'shape' of the service in the future. One thing is certain we have a bountiful God who will provide all we need to fulfil what He has called us to do in and through Redwoods

The future is not uncertain to God and we trust in Him totally to take us into that future, which we know will be even more fruitful than what has gone before

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

For these purposes, the Directors have retained the services of William Davidson and Neil Andrew for the auditing of the annual accounts

Approved and signed by order of the Board of Directors


Jeanette C Godward - Director

30/10/08
Date

**INDEPENDENT
AUDITOR'S
REPORT**

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44(1)(c) of the Charities & Trustee Investment (Scotland) Act 2005

We have audited the financial statements of The Redwoods Caring Foundation for the year ended 31 March 2008 which comprise the Statement of Financial Affairs, Income & Expenditure Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made exclusively to the members, as a body, in accordance with section 235 of the Companies Act 1985 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities & Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a fair view and are properly prepared in accordance with the Companies Act 1985, the Charities & Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Directors' Annual Report is consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information published with the financial statements and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Annual Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

We read the Directors' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give

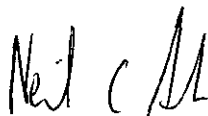
reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- * give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2008, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- * have been properly prepared in accordance with the Charities & Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2005, and
- * the information given in the Directors' Annual Report is consistent with the financial statements

Signed



Date

27/10/2008

Neil Andrew CA

Registered Auditors

(Eligible to act as an auditor in terms of section 25 of the Companies Act 1989)

2 Mureston Road

EDINBURGH

EH11 2JH

THE REDWOODS CARING FOUNDATION
Company Limited by Guarantee

STATEMENT OF FINANCIAL AFFAIRS
for the year ended 31 March 2008

		2008			2007
		£	£	£	£
		Unrestricted	Restricted	Total	Total
	Note	Funds	Funds	Funds	Funds
	2				
INCOMING RESOURCES					
Donations, Legacies and Similar		5,371	3,206	8,577	43,654
Operating Activities					
<i>In furtherance of the objectives</i>					
Client/SW Income		0	1,110,466	1,110,466	1,056,831
Investment Income					
Interest Receivable		7,045	0	7,045	3,263
Other Incoming Resources					
Rent / Building usage		55,095	0	55,095	52,540
TOTAL INCOMING RESOURCES		67,511	1,113,672	1,181,183	1,156,288
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising		0	210	210	353
Charitable Expenditure					
<i>Activities in furtherance of the objectives</i>					
Direct Charitable Expenditure		177,405	1,002,508	1,179,913	1,131,493
Management & Admin					
Interest Payable		4,307	0	4,307	4,054
Audit fees		0	2,115	2,115	2,115
TOTAL RESOURCES EXPENDED		181,712	1,004,833	1,186,545	1,138,015
Net Incoming/(Outgoing) Resources before transfers		(114,201)	108,839	(5,362)	18,273
Transfers between funds		103,334	(103,334)	0	0
Net Incoming/(Outgoing) Resources	14	(10,867)	5,505	(5,362)	18,273
Fund balances brought forward at 1 April 2007	13	370,860	267,130	637,990	619,717
Fund balances carried forward at 31 March 2008		359,993	272,635	632,628	637,990

The notes on pages 11 to 14 form part of these accounts

THE REDWOODS CARING FOUNDATION
Company Limited by Guarantee

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2008

		2008 £	2007 £
INCOME	2	1,174,138	1,153,025
OPERATING COSTS		<u>(1,182,238)</u>	<u>(1,133,961)</u>
OPERATING SURPLUS / (DEFICIT)		(8,100)	19,064
INTEREST RECEIVABLE	7	7,045	3,263
INTEREST PAYABLE	8	<u>(4,307)</u>	<u>(4,054)</u>
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		(5,362)	18,273
BALANCE BROUGHT FORWARD	13	<u>637,990</u>	<u>619,717</u>
BALANCE CARRIED FORWARD		<u>632,628</u>	<u>637,990</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 11 to 14 form part of these accounts

THE REDWOODS CARING FOUNDATION
Company Limited by Guarantee

BALANCE SHEET
as at 31 March 2008

	Notes	£	2008	£	2007	£
FIXED ASSETS						
Tangible assets	9			388,953		407,825
CURRENT ASSETS						
Stock			3,509		5,076	
Debtors	10		95,923		34,220	
Loans			0		0	
Bank current account			276,091		327,115	
Deposit Account			1,716		1,715	
Unit imprest accounts			2,262		1,849	
Cash in hand			<u>851</u>		<u>951</u>	
			<u>380,352</u>		<u>370,926</u>	
CREDITORS						
Amounts falling due within one year	11		<u>(83,749)</u>		<u>(84,884)</u>	
NET CURRENT ASSETS				<u>296,603</u>		<u>286,042</u>
TOTAL NET ASSETS				685,556		693,867
CREDITORS						
Amounts falling due after more than one year	11			<u>(52,928)</u>		<u>(55,877)</u>
NET ASSETS				<u>632,628</u>		<u>637,990</u>
CAPITAL AND RESERVES	14					
Unrestricted funds				359,993		370,859
Restricted funds				<u>272,635</u>		<u>267,131</u>
				<u>632,628</u>		<u>637,990</u>

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



Jeanette Godward
(Director)

The notes on pages 11 to 14 form part of these accounts

THE REDWOODS CARING FOUNDATION
Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

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

	£	2008 £	£	2007 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Donations & Appeals	5,371	3,206	8,577	43,654
Operating Activities Income (Clients/SW)	0	1,110,466	1,110,466	1,056,831
Other Income (e.g. Building usage)	55,095	0	55,095	52,540
	<u>60,466</u>	<u>1,113,672</u>	<u>1,174,138</u>	<u>1,153,025</u>

3	SURPLUS ON ORDINARY ACTIVITIES	2008	2007
		£	£
	Surplus on ordinary activities is stated after charging the following		
	Depreciation (incl gain on disposable assets) (Note 9)	21,402	20,097
	Auditors' remuneration	2,115	2,115
	Staff costs (Note 4)	900,012	858,144
4	STAFF PARTICULARS		
		£	£
	Staff costs comprised		
	Staff Salaries	774,408	740,850
	Agency staff costs	44,042	38,134
	Social Security costs	67,280	65,330
	Pension costs	14,282	13,830
		<u>900,012</u>	<u>858,144</u>
	The number of employees at the year end (whole time equivalent) was	<u>40 03</u>	<u>39 38</u>
5	DIRECTORS' EMOLUMENTS		
	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	66,505	65,201
	Social Security costs	7,176	7,053
	Pension costs	<u>2,664</u>	<u>2,616</u>
		<u>76,345</u>	<u>74,870</u>
6	PENSION COSTS		
	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		
7	INTEREST RECEIVABLE	2008	2007
		£	£
	This represents interest receivable on bank deposits	7,045	3,262
8	INTEREST PAYABLE AND SIMILAR CHARGES	2008	2007
		£	£
	Interest payable and similar charges comprised		
	On bank overdraft wholly repayable within five years	0	0
	Interest on other loans	<u>4,307</u>	<u>4,054</u>
		<u>4,307</u>	<u>4,054</u>

9 TANGIBLE FIXED ASSETS

	<u>Freehold Land & Buildings</u>	<u>Leasehold Improvements</u>	<u>Furnishings & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£
COST					
Opening Balance	526,550	21,590	64,783	34,637	647,560
Additions	1,061	0	1,469	0	2,530
Disposals	0	0	(10,380)	0	(10,380)
Closing Balance	<u>527,611</u>	<u>21,590</u>	<u>55,872</u>	<u>34,637</u>	<u>639,710</u>
AGGREGATE DEPRECIATION					
Opening Balance	136,335	21,197	52,075	30,128	239,735
Charge for year	12,954	393	6,853	1,202	21,402
Charged on disposal	0	0	(10,380)	0	(10,380)
Closing Balance	<u>149,289</u>	<u>21,590</u>	<u>48,547</u>	<u>31,330</u>	<u>250,757</u>
NET BOOK VALUE					
Opening Balance	<u>390,215</u>	<u>393</u>	<u>12,709</u>	<u>4,508</u>	<u>407,825</u>
Closing Balance	<u>378,322</u>	<u>0</u>	<u>7,325</u>	<u>3,306</u>	<u>388,953</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 four freehold properties are as follows:

Redwoods House, Newbattle Road, Newtongran (valued March 2008)	£1,025,000
Redwoods House Caretaker's house (valued March 2008)	£175,000
12 Paisley Drive, Edinburgh (valued August 2004)	£300,000
19/4 Hazelwood Grove (valued August 2004)	£90,000

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.

	2008	2007
	£	£
10. DEBTORS		
Sundry Debtors	3,943	4,316
Accrued income	89,095	26,969
Prepayments	<u>2,885</u>	<u>2,935</u>
	<u>95,923</u>	<u>34,220</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>	
	2008	2007	2008	2007
	£	£	£	£
11 CREDITORS				
Trade creditors	9,520	9,520	0	0
Other creditors and term loans	56,952	56,368	52,928	55,877
Social Security and other taxes	<u>17,277</u>	<u>18,996</u>	<u>0</u>	<u>0</u>
	<u>83,749</u>	<u>84,884</u>	<u>52,928</u>	<u>55,877</u>

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

"Other creditors and term loans" include:

Hazelwood Grove Term Loan of £65,450 taken over 15 years from September 2004.

12 LEASE COMMITMENTS

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

	2008	2007
	£	£
Expiring between two and five years	27,928	27,928
Expiring in more than five years	0	0
	<u>27,928</u>	<u>27,928</u>

13 CAPITAL AND RESERVES

	£	2008	£	2007	£
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Opening Balance	370,860	267,130	637,990	619,717	
Retained surplus / (deficit) for the year	(10,867)	5,505	(5,362)	18,273	
Closing balance	<u>359,993</u>	<u>272,635</u>	<u>632,628</u>	<u>637,990</u>	

14. RESTRICTED FUNDS

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

	Balance	Movement in Funds				Balance
Unit/Fund	at 1 Apr '07	Incoming Resources	Outgoing Resources	Management Charges	Vehicle Pool	at 31 Mar '08
	£	£	£	£		£
Telferton	13,798	158,337	(129,782)	(13,993)	(5,960)	22,400
Paisley Drive	63,246	210,073	(197,084)	(18,153)	0	58,082
Ash Lea	15,203	282,904	(251,507)	(20,753)	(5,589)	20,257
The Beeches	70,697	334,330	(304,188)	(25,393)	(4,308)	71,138
Oakview	21,015	124,822	(113,829)	(9,185)	0	22,823
Art Room	20,167	0	0	0	0	20,167
Small Project Fund	860	0	0	0	0	860
RMA Fund	321	0	(321)	0	0	(0)
Music Project Fund	42,685	3,206	(4,994)	0	0	40,897
VSDP Fund	17,423	0	(3,127)	0	0	14,296
Elderly/Housing	<u>1,716</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,716</u>
	<u>267,130</u>	<u>1,113,672</u>	<u>(1,004,833)</u>	<u>(87,477)</u>	<u>(15,857)</u>	<u>272,635</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

15 CAPITAL COMMITMENTS

There continues to be a long term commitment to the creation of a music and arts facility within Redwoods. The cost of this facility is not yet known