

31/3/03

THE REDWOODS CARING FOUNDATION

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

MISSION STATEMENT

The Redwoods Caring Foundation is committed to providing, for vulnerable people who require care and support, a sensitive flexible range of services, both residential and community-based, where people will be encouraged and assisted to reach their maximum individual potential in terms of their spiritual, emotional and physical well-being.

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



THE REDWOODS CARING FOUNDATION

Annual Report 2003

Review of the Year

We are so aware of the beauty of the changing seasons – the white crispness of winter, the freshness of spring, the warmth of summer and the richness of autumn's turning colours. All of creation, including people, is a reflection of God's glory and each person in Redwoods, whether client or staff, is a wonderful display of the treasures that God has put into them. We marvel, therefore, when we see the changing seasons in people's lives.

The last year could be described as autumnal. We have seen such varied and stunning evidence in people's lives of the deep treasures, gifts and abilities which God put there in the first place.

The staff team in Redwoods is constantly inspired by, and in awe of the accomplishments of the people whom they have the privilege of working alongside. We see amazing riches rising to the surface as people step out on new paths, take on further challenges, or more often simply rest in knowing who they are.

One of the more evident treasures that has come to light in recent years has been the artistic gifts which many people have. In early 2003 some of the artists from Redwoods Day Centre held an exhibition in a coffee house in central Edinburgh. Some of the work was sold, but more importantly it allowed many people to see the artistic ability of those displaying their work.

During 2002, two ladies moved into a new season in their lives by moving from their family homes into Redwoods. They have settled well and are now embracing different opportunities and challenges, which is adding to the richness of their lives.

Sadly, in February, Billy, one of the gentlemen who attended Redwoods Day Centre, died suddenly. He was a valued and treasured part of life at the Day Centre and he is very fondly remembered.

The richness of life in Redwoods owes much to the invaluable contribution that each member of staff makes into the lives of the people with whom they work.

It continues to be a privilege to have an international flavour to our staff teams, and we very much appreciate the variety of culture and experience that our volunteers contribute to Redwoods. We are delighted that over the year we have had people from as far afield as Honduras, Uganda and Poland joining the various teams. We are so grateful to all of those who give their time to Redwoods in this way, and look forward to this continuing in the year ahead.

Some staff members have moved on from Redwoods – again, to a new season in their lives. We are grateful to God for each person who He has brought into the Redwoods staff team and are excited by what He is doing in their lives as He takes them on to new pastures. They all leave a rich legacy.

New people /...

New people have joined the teams and so the 'flavour' of the team changes. The new team members bringing further dimensions and wealth to the existing team. What an array of personalities, gifts and abilities are represented in each team!

The year has not been without its challenges – specifically responding to the changing legislation has meant additional workloads and responsibilities for the five unit managers. We honour and esteem them for their commitment to both ensuring that the people are cared for in a way which reflects God's heart and maintaining a motivated, informed and envisioned staff team.

Future Developments

The future season is in God's hands. We are looking forward to next autumn, when the Redwoods China Wall Challenge will take place; a small group of staff are currently organising a sponsored walk along the Great Wall of China, to raise funds to develop an Activity Centre in the ground of Redwoods House.

There are many exciting prospects for many of the people Redwoods supports to realise more of their dreams and aspirations. Our challenge – today and in the future – is not to run ahead in our enthusiasm for them to achieve these ambitions – but to support each person and wait patiently for the perfect time for each dream to come to fruition.

Although the seasons change we are so thankful that Redwoods is in the hands of a faithful, loving God, one of whose attributes is that He never changes.

Financial Results

This year has seen an overall surplus of £68,866. There has been an overall increase of net assets to £448,324.

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

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

By Order of the Board

Date 26/11/03

Jeanette C. Godward

Jeanette C Godward
Director

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 2003

I have audited the financial statements of The Redwoods Caring Foundation (Company Limited by Guarantee) for the year ended 31 March 2003 set out on pages 6 to 12. 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 on page 9.

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 2003, 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. M

(date) 16/12/2003

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 2003

		2003			2002
		£	£	£	£
		Unrestricted	Restricted	Total	Total
	Note	Funds	Funds	Funds	Funds
INCOMING RESOURCES	2				
Donations, Legacies and Similar		17,721	2,099	19,819	29,518
Operating Activities					
<i>In furtherance of the objectives</i>					
Client/SW Income		14,935	954,931	969,866	922,323
Investment Income					
Interest Receivable		1,242	211	1,453	201
Other Incoming Resources					
Rent / Building usage		29,440	0	29,440	930
TOTAL INCOMING RESOURCES	15	63,338	957,240	1,020,578	952,973
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising		0	0	0	60
Charitable Expenditure					
<i>Activities in furtherance of the objectives</i>					
Direct Charitable Expenditure		148,212	800,038	948,251	923,008
Management & Admin					
Interest Payable		485	1,261	1,746	3,208
Audit fees		0	1,716	1,716	1,841
TOTAL RESOURCES EXPENDED	15	148,697	803,015	951,712	928,117
Net Incoming/(Outgoing) Resources before transfers		(85,359)	154,225	68,866	24,856
Transfers between funds		88,613	(88,613)	0	0
Net Incoming/(Outgoing) Resources	15	3,253	65,612	68,866	24,856
Fund balances brought forward at 1 April 2002	15	236,881	142,578	379,459	354,603
Fund balances carried forward at 31 March 2003		240,134	208,190	448,324	379,459

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 2003

		2003 £	2002 £
INCOME	2	1,019,125	952,771
OPERATING COSTS		<u>(949,966)</u>	<u>(924,909)</u>
OPERATING SURPLUS / (DEFICIT)		69,159	27,863
INTEREST RECEIVABLE	8	1,453	201
INTEREST PAYABLE	9	<u>(1,746)</u>	<u>(3,208)</u>
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		68,866	24,856
BALANCE BROUGHT FORWARD	15	<u>379,459</u>	<u>354,603</u>
BALANCE CARRIED FORWARD		<u>448,324</u>	<u>379,459</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 2003

	Notes	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		340,292		357,987
CURRENT ASSETS					
Stock		3,758		4,048	
Debtors	11	55,675		44,619	
Bank current account		98,294		9,765	
Deposit Account		6,691		6,561	
Unit imprest accounts		3,774		2,924	
Cash in hand		<u>834</u>		<u>834</u>	
		169,025		68,751	
CREDITORS					
Amounts falling due within one year	12	<u>(60,992)</u>		<u>(36,280)</u>	
NET CURRENT ASSETS			<u>108,033</u>		<u>32,471</u>
TOTAL NET ASSETS			448,324		390,459
CREDITORS					
Amounts falling due after more than one year	12		<u>0</u>		<u>(11,000)</u>
NET ASSETS			<u>448,324</u>		<u>379,459</u>
CAPITAL AND RESERVES	14				
Unrestricted funds			240,134		236,881
Restricted funds			<u>208,190</u>		<u>142,578</u>
			<u>448,324</u>		<u>379,459</u>

Approved by the board on (date) 03/11/03
and signed on its behalf by:

Jeanette G. Godward

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 2003

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:

	2003			2002
	£	£	£	£
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
Donations & Appeals	17,721	2,099	19,819	29,518
Operating Activities Income (Clients/SW)	14,935	954,931	969,866	922,323
Other Income (e.g. Building usage)	29,440	0	29,440	930
	<u>62,096</u>	<u>957,030</u>	<u>1,019,125</u>	<u>952,771</u>

	2003	2002
3. SURPLUS ON ORDINARY ACTIVITIES		
	£	£
Surplus on ordinary activities is stated after charging the following:		
Depreciation (incl. gain on disposable assets) (Note 10)	17,695	18,581
Auditors' remuneration	1,716	1,841
Staff costs (Note 4)	681,209	691,925
4. STAFF PARTICULARS		
	£	£
Staff costs comprised:		
Salaries	617,820	627,385
Social Security costs	49,032	50,260
Pension costs	<u>14,357</u>	<u>14,280</u>
	<u>681,209</u>	<u>691,925</u>
The number of employees at the year end (whole time equivalent) was:	<u>38.32</u>	<u>39.75</u>
5. RELATED PARTY TRANSACTIONS		
Related party transactions with Edinburgh City Fellowship during the year consisted of the following:		
	2003	2002
	£	£
Donation from Edinburgh City Fellowship	10,000	10,000
Shared salary of treasurer (paid to Edinburgh City Fellowship)	0	<u>6,467</u>
6. 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	60,358	51,813
Social Security costs	6,042	5,141
Pension costs	<u>2,382</u>	<u>2,094</u>
	<u>68,782</u>	<u>59,048</u>
7. 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.		
8. INTEREST RECEIVABLE	2003	2002
	£	£
This represents interest receivable on bank deposits:	1,453	201
9. INTEREST PAYABLE AND SIMILAR CHARGES	2003	2002
	£	£
Interest payable and similar charges comprised:		
On bank overdraft wholly repayable within five years	135	1,192
Interest on other loans	<u>1,611</u>	<u>2,016</u>
	<u>1,746</u>	<u>3,208</u>

10. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Leasehold Improve- ments	Furnish- ings & Equipment	Motor Vehicles	Total
	£	£	£	£	£
COST					
Opening Balance	417,553	21,590	47,279	29,828	516,250
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Closing Balance	<u>417,553</u>	<u>21,590</u>	<u>47,279</u>	<u>29,828</u>	<u>516,250</u>
AGGREGATE DEPRECIATION					
Opening Balance	83,663	17,203	45,274	12,123	158,263
Charge for year	8,351	799	1,089	7,457	17,695
Charged on disposal	0	0	0	0	0
Closing Balance	<u>92,014</u>	<u>18,002</u>	<u>46,362</u>	<u>19,580</u>	<u>175,958</u>
NET BOOK VALUE					
Opening Balance	<u>333,890</u>	<u>4,387</u>	<u>2,005</u>	<u>17,704</u>	<u>357,987</u>
Closing Balance	<u>325,539</u>	<u>3,588</u>	<u>917</u>	<u>10,247</u>	<u>340,292</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.

	2003	2002
	£	£
11. DEBTORS		
Sundry Debtors	7,555	257
Accrued income	45,364	38,658
Prepayments	<u>2,756</u>	<u>5,704</u>
	<u>55,675</u>	<u>44,619</u>

The amount of debtors falling due after more than one year was nil. (2001 : nil)

	<u>Amounts falling due within one year</u>		<u>Amounts falling due after more than one year</u>	
	2003	2002	2003	2002
	£	£	£	£
12. CREDITORS				
Bank - current account	-	-	0	0
Trade creditors	50,219	25,741	0	0
Other creditors and term loans	<u>10,774</u>	<u>10,539</u>	0	<u>11,000</u>
	<u>60,992</u>	<u>36,280</u>	0	<u>11,000</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