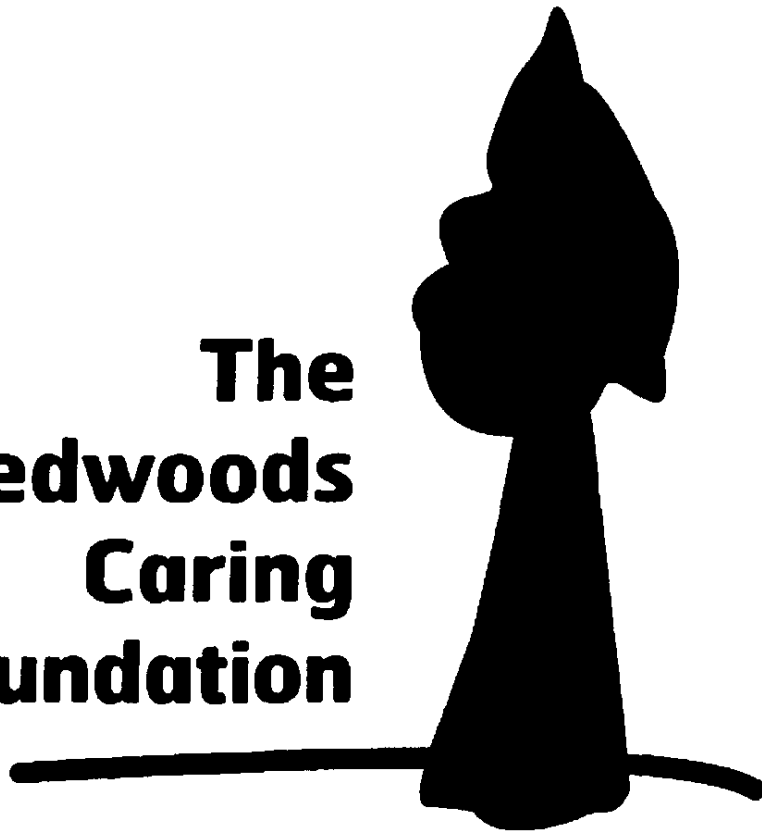


The Redwoods Caring Foundation



Annual Report & Accounts 2012/13

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DIRECTORS	<p>The directors who served during the year were:</p> <p>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</p>
COMPANY DETAILS	<p>Registered Office Kirk Farm House, 6 Lasswade Road, Edinburgh EH16 6RZ</p> <p>Registered Scottish Charity Charity No. SC013566</p> <p>Company Registered in Scotland (Limited by Guarantee) Company No. 125367</p>
PROFESSIONAL SERVICES	<p>Bankers Royal Bank of Scotland, 142-144 Princes Street, Edinburgh EH2 4EQ <i>Bank Manager: Tracy Thomson</i></p> <p>Solicitors Beveridge, Philp & Ross, 22 Bernard Street, Edinburgh EH6 6PP <i>Contact: Robert McMillan</i></p> <p>Accountant William Davidson, 68 Edgehead Road, Pathhead, Midlothian EH37 5RJ</p> <p>Auditor Neil C Andrew, 2 Murieston Road, Edinburgh EH11 2JH</p>
STRUCTURE, GOVERNANCE AND MANAGEMENT	<p>The Redwoods Caring Foundation is a charity registered in Scotland, and a 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.</p> <p>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 Finance Officer from within the organisation, who is available to report and advise as required.</p> <p>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.</p> <p>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.</p> <p>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 bank accounts as working capital.</p>

Each service (unit) that Redwoods provides is treated separately, but within the overall unrestricted funds of the organisation, unless the conditions of funding require it to be restricted.

The Board of Directors are committed to ensuring that all funds held are used in the most effective way to further the charity's objectives. To this end, transfers may sometimes be approved between units within unrestricted funds.

All land and building owned by Redwoods is also 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

Celebrating who people are without stumbling over what they are not

Daily we marvel at the beauty, resilience, grace, creativity and wisdom that we see emanating from the lives of the people Redwoods supports.

Daily we are amazed at the tenacity, vigour, compassion and love that we see emanating from the demonstrations of kindness shown by the staff teams.

Daily we are encouraged by the generosity, encouragement, support and love showered on us by friends and families of the people Redwoods supports.

Constantly we are motivated and compelled to push on by the overwhelming, endless, life-giving love of God our Father, in whom and through whom Redwoods exists.

Over the past year these are the moments which shine out as we celebrate who people are without stumbling over what they are not. We have sought to bring about changes in how we can offer support to people. This includes:

- * **engaging** with people at an individual level to support them to participate more fully in their daily lives. This can result in someone switching on the room light instead of staff doing it, participating in the process of selecting the staff who will support them, or being involved in the 'Tiger Group' (see below);
- * **establishing** the 'Tiger Group', a group comprising 5 people whom Redwoods supports, who meet to discuss and are involved in the outworking of the Involvement Charter to which Redwoods has signed up, so having a significant voice into the life of Redwoods;
- * **re-structuring** the way we offer our day services - relaunching as 'Telfie Central': a hub offering four streams of opportunities including the New Shoots garden project, which is gradually restoring part of a Victorian garden.

We are constantly inspired by the people we support: they have so much to teach us about unconditional love, grace and mercy as well as the importance of having fun and trying new things.

Purpose, Ethos & Values

We were prompted, this year, to re-look at our vision and values, to reflect on how we communicate what Redwoods is and why and how it does what it was set in place to do. In doing this we developed a new 'Purpose, Ethos & Values Statement', which also states our core beliefs and a number of values that flow out of these things, that are central to everything we do.

Daily we are humbled by the selfless ways each of the staff demonstrate our values to the people we support, their families and those involved in their lives. The fact that we have the privilege of having such tremendous staff teams is due, in the main, to the consistently high level of leadership we see in the managers of those teams. They are courageous, visionary, creative, sacrificial, precious leaders who seek in all circumstances to celebrate who people are without stumbling over what they are not. We owe them, and the teams they lead, an immense debt of gratitude.

We thank, wholeheartedly, the people we support and their families for the honour of being involved in their lives.

We are overwhelmingly grateful to God who, having set Redwoods in place over 26 years ago, has sustained it through many challenging times, none more so than this last year. He proves Himself faithful constantly and we are sustained by His amazing provision, and the incredible power of His love which we, in turn, seek to reflect to those we support.

We are grateful that He enables us to truly celebrate who everyone in Redwoods is, without stumbling over what they are not.

We have had an exhilarating and challenging year but we know that, as we continue to focus on who God is: the creator of life and founder of Redwoods, all will be well.

Redwoods has produced accounts in accordance with all current statutory requirements and regulations. We are grateful to all our donors and funders for their continued support.

The organisation's income in 2012/13 was £1,233,179, and total expenditure was £1,291,067. This resulted in an overall loss for the year of £57,888, and therefore a decrease in net assets to £326,709.

Work is being undertaken by the Board of Directors to reverse the pattern of deficits, and particularly to address issues presented by some of our operational units that are not achieving a break-even position.

We continue to pursue new funding models where applicable, as this has proven to work in our Housing Support/Care at Home service. We are also working closely with Midlothian Council, one of our main funders, to re-commission our respite service and, in doing so, achieve a more financially secure position. Alongside this work we are continually trying to increase occupancy where applicable, and look for creative ways to both enhance and secure the services we are offering whilst being open to new possibilities.

Over the next year we are also putting in place a fundraising strategy to increase our income in this area.

With all of this in mind, the Board of Directors recognise that another year of deficit is likely in 2013/14 but plan that, from April 2014, we will begin to see a change in the finances of the organisation and a more stable position for the future.

**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

17/10/13
Date

**INDEPENDENT
AUDITOR'S
REPORT TO THE
TRUSTEES &
MEMBERS OF THE
REDWOODS
CARING
FOUNDATION**

We have audited the financial statements of The Redwoods Caring Foundation for the year ended 31/03/13 which comprise the Statement of Financial Activities, the Summary Income & Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditor

As explained more fully in the Directors' Responsibilities Statement (set out on page 5), 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.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- * give a true and fair view of the state of the charitable company's affairs as at 31/03/13 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 Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts Regulation (Scotland) Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- * the charitable company has not kept proper and adequate accounting records 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 trustees' remuneration specified by law are not made; or
- * we have not received all of the information and explanations we require for our audit.

Signed: _____

Neil C M

Date: 17/10/2013

Neil Andrew CA

Senior Statutory Auditor

For and on behalf of Neil C Andrew CA Statutory Auditors

(Neil C Andrew CA is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

3 Murieston Road

EDINBURGH

EH11 2JH

THE REDWOODS CARING FOUNDATION
Company Limited by Guarantee

STATEMENT OF FINANCIAL AFFAIRS
for the year ended 31 March 2013

		2013			2012
		£	£	£	£
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
INCOMING RESOURCES	Note 2				
Donations, Legacies and Similar Operating Activities		35,143	6,264	41,407	20,772
<i>In furtherance of the objectives</i>					
Client/SW Income		1,107,688	0	1,107,688	1,126,546
Investment Income					
Interest Receivable		5	0	5	5
Other Incoming Resources					
Rent / Building usage		84,079	0	84,079	80,253
TOTAL INCOMING RESOURCES	14	1,226,915	6,264	1,233,179	1,227,576
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising		811	0	811	0
Charitable Expenditure					
<i>Activities In furtherance of the objectives</i>					
Direct Charitable Expenditure		1,274,153	11,951	1,286,104	1,232,623
<i>Management & Admin</i>					
Interest Payable		1,032	0	1,032	1,110
Audit fees		3,120	0	3,120	3,120
TOTAL RESOURCES EXPENDED	14	1,279,116	11,951	1,291,067	1,236,853
Net Incoming/(Outgoing) Resources before transfers		(52,201)	(5,687)	(57,888)	(9,276)
Transfers between funds	13	6,489	(6,489)	0	0
Net Incoming/(Outgoing) Resources	13	(45,712)	(12,176)	(57,888)	(9,276)
Fund balances brought forward at 1 April 2012	13	309,806	74,791	384,597	393,873
Fund balances carried forward at 31 March 2013		264,094	62,615	326,709	384,597

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 2013

		2013 £	2012 £
INCOME	2	1,233,174	1,227,571
OPERATING COSTS		<u>(1,290,035)</u>	<u>(1,235,742)</u>
OPERATING SURPLUS / (DEFICIT)		(56,861)	(8,171)
INTEREST RECEIVABLE	7	5	5
INTEREST PAYABLE	8	<u>(1,032)</u>	<u>(1,110)</u>
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		(57,888)	(9,275)
BALANCE BROUGHT FORWARD	13	<u>384,597</u>	<u>393,873</u>
BALANCE CARRIED FORWARD		<u>326,709</u>	<u>384,598</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 2013

	Notes	£	2013	£	2012	£
FIXED ASSETS						
Tangible assets	9			339,251		354,696
CURRENT ASSETS						
Stock			3,337			3,424
Debtors	10		41,477			56,660
Bank current account			0			39,112
Deposit Accounts			2,555			2,551
Unit imprest accounts			2,310			2,753
Cash in hand			<u>780</u>			<u>780</u>
			<u>50,459</u>			<u>105,280</u>
CURRENT LIABILITIES						
Bank current account			(3,321)			0
Creditors amounts falling due within one year	11		<u>(39,872)</u>			<u>(48,971)</u>
			<u>(43,193)</u>			<u>(48,971.24)</u>
NET CURRENT ASSETS				<u>7,266</u>		<u>56,308</u>
TOTAL NET ASSETS				346,517		411,005
CREDITORS						
Amounts falling due after more than one year	11			<u>(19,808)</u>		<u>(26,408)</u>
NET ASSETS				<u>326,709</u>		<u>384,597</u>
CAPITAL AND RESERVES	13					
Unrestricted funds				264,094		309,806
Restricted funds				<u>62,615</u>		<u>74,791</u>
				<u>326,709</u>		<u>384,597</u>

Approved by the board on (date) 17. 10. 2013 .
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 2013

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.

2. INCOME

The analysis of income by source was as follows:

	£	2013 £	£	2012 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Donations & Appeals	35,143	6,264	41,407	20,772
Operating Activities Income (Clients/SW)	1,107,688	0	1,107,688	1,126,546
Other Income (e.g. Building usage)	84,079	0	84,079	80,253
	<u>1,226,910</u>	<u>6,264</u>	<u>1,233,174</u>	<u>1,227,571</u>

3. SURPLUS ON ORDINARY ACTIVITIES	2013	2012
	£	£
Surplus on ordinary activities is stated after charging the following:		
Depreciation (incl. gain on disposable assets) (Note 9)	21,935	19,853
Auditors' remuneration	3,120	3,120
Staff costs (Note 4)	1,008,824	966,439
4. STAFF PARTICULARS	£	£
Staff costs comprised:		
Staff Salaries	854,598	856,458
Agency staff costs	76,730	26,590
Social Security costs	62,987	72,275
Pension costs	14,509	15,134
	<u>1,008,824</u>	<u>970,458</u>
The number of employees at the year end (whole time equivalent) was:	<u>41.61</u>	<u>40.52</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 -	£	£
Operations Director	35,749	35,048
Director of Care Services	34,134	33,465
Social Security costs	7,578	7,302
Pension costs	2,607	2,388
	<u>80,068</u>	<u>78,203</u>
6. PENSION COSTS		
All employees are encouraged to contribute to their own Personal Pension Plan. The company makes an additional contribution, currently 3-4% of salary, after 1 year of continuous employment.		
7. INTEREST RECEIVABLE	2013	2012
	£	£
This represents interest receivable on bank deposits:	5	5
8. INTEREST PAYABLE AND SIMILAR CHARGES	2013	2012
	£	£
Interest payable and similar charges comprised:		
On bank overdraft wholly repayable within five years	288	200
Interest on other loans	<u>744</u>	<u>910</u>
	<u>1,032</u>	<u>1,110</u>

9. TANGIBLE FIXED ASSETS

	<u>Freehold Land & Buildings</u>	<u>Leasehold Improve- ments</u>	<u>Furnish- ings & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£
COST					
Opening Balance	539,313	21,590	75,825	22,109	658,837
Additions	6,489	0	0	0	6,489
Disposals	0	0	(2,575)	0	(2,575)
Closing Balance	<u>545,802</u>	<u>21,590</u>	<u>73,250</u>	<u>22,109</u>	<u>662,751</u>
AGGREGATE DEPRECIATION					
Opening Balance	201,551	21,590	66,447	14,553	304,141
Charge for year	13,352	0	4,258	4,325	21,935
Charged on disposal	0	0	(2,575)	0	(2,575)
Closing Balance	<u>214,903</u>	<u>21,590</u>	<u>68,130</u>	<u>18,878</u>	<u>323,500</u>
NET BOOK VALUE					
Opening Balance	<u>337,762</u>	<u>0</u>	<u>9,378</u>	<u>7,556</u>	<u>354,696</u>
Closing Balance	<u>330,900</u>	<u>0</u>	<u>5,120</u>	<u>3,231</u>	<u>339,251</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, Newtongrang (valued March 2008)	£1,025,000
Redwoods House - Caretaker's house (valued March 2008)	£175,000
12 Paisley Drive, Edinburgh (valued May 2010)	£450,000
19/4 Hazelwood Grove (valued October 2011)	£130,000

The Royal Bank of Scotland holds a standard security over 12 Paisley Drive, and a bond and floating charge, in connection with the loan taken out in 2004 to purchase 19/4 Hazelwood Grove.

10. DEBTORS

	2013	2012
	£	£
Sundry Debtors	3,600	17,298
Accrued income	33,749	33,080
Prepayments	<u>4,128</u>	<u>6,283</u>
	<u>41,477</u>	<u>56,660</u>

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

11. CREDITORS

	<u>Amounts falling due within one year</u>		<u>Amounts falling due after more than one year</u>	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	10,500	21,113	0	0
Other creditors and term loans	13,260	11,464	19,808	26,408
Social Security and other taxes	<u>16,112</u>	<u>16,394</u>	<u>0</u>	<u>0</u>
	<u>39,872</u>	<u>48,971</u>	<u>19,808</u>	<u>26,408</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 and equipment leases:

	2013 £	2012 £
Expiring between two and five years	29,172	31,330
Expiring in more than five years	0	0
	<u>29,172</u>	<u>31,330</u>

13. CAPITAL AND RESERVES

	2013 £	2013 £	2013 £	2012 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Opening Balance	309,806	74,791	384,597	393,873
Retained surplus / (deficit) for the year	(52,201)	(5,687)	(57,888)	(9,276)
Fund Transfers	<u>6,489</u>	<u>(6,489)</u>	<u>0</u>	<u>0</u>
Closing balance	<u>264,094</u>	<u>62,615</u>	<u>326,709</u>	<u>384,597</u>

14. RESTRICTED FUNDS

	Balance at 1 Apr '12 £	Incoming Resources £	Outgoing Resources £	Asset Transfers (see explanation below) £	Balance at 31 Mar '13 £
Fund					
Small Project Fund	860	0	(860)	0	(0)
Music & Arts Project Fund	64,048	0	(8,352)	(6,489)	49,207
VSDP Fund	7,742	0	(512)	0	7,230
Donations - Day Centre	472	2,663	(1,027)	0	2,108
Donations - Home Support Service	200	0	0	0	200
Donations - Midlothian Units	1,469	3,601	(1,200)	0	3,871
	<u>74,791</u>	<u>6,264</u>	<u>(11,951)</u>	<u>(6,489)</u>	<u>62,615</u>

Spending from the Music & Arts Project Fund in 2012-13 included the purchase of a building. This was therefore capitalised according to accounting policy and, as all buildings are held on unrestricted funds, an asset transfer has taken place to cover the cost of the building.

15. OPERATIONAL UNIT SUMMARY

	Balance at 1 Apr '12 £	Incoming Resources £	Outgoing Resources £	Management Charges £	Vehicle Pool	Balance at 31 Mar '13 £
Unit						
Telferton	(13,026)	175,924	(156,425)	(14,805)	(5,960)	(14,292)
Paisley Drive	56,807	213,787	(187,079)	(15,525)	0	67,990
Housing Support	751	32,685	(29,817)	(3,033)	0	586
Ash Lea	(47,013)	262,810	(247,560)	(18,784)	0	(50,547)
The Beeches	(5,721)	322,823	(320,139)	(24,335)	(4,308)	(31,680)
Oakview	40,164	126,885	(120,409)	(9,881)	0	36,759

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.