



**THE REDWOODS CARING FOUNDATION  
ANNUAL REPORT  
& ACCOUNTS  
2018-19**

Charity Number: SC 013566  
Company Number: SC 125367

**SATURDAY**



\*S8FEXD74\*

SCT 05/10/2019 #427  
COMPANIES HOUSE

## INDEX

Directors .....	Page 1
Company Details .....	Page 1
Professional Services .....	Page 1
Directors' Report .....	Page 2
Auditor's Report .....	Page 8
Statement of Financial Activities.....	Page 11
Balance Sheet .....	Page 12
Statement of Cash Flows .....	Page 13
Notes to the Accounts .....	Page 14

## **THE REDWOODS CARING FOUNDATION**

**Year ending 31 March 2019**

### **Directors' Report**

#### **Directors**

The directors who served during the year were:

- Brian J Hayes
- Shirley Hayes
- Jeanette C Godward (Chair & Company Secretary)
- Rosalind Brown
- Christopher Townsend (Managing Director)
- John Thomson
- Mary Thomson
- Gavin Lawson (Operations & Connections Manager)

#### **Company Details**

*Registered office:* Kirk Farm House, 6 Lasswade Road, Edinburgh EH16 6RZ

*Charity registered in Scotland:*

Charity Number: SC 013566

*Company registered in Scotland (Limited by Guarantee):*

Company Number: SC 125367

#### **Professional Services**

##### **Bankers:**

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

##### **Solicitors:**

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

##### **Auditor:**

Chiene & Tait LLP, Chartered Accountants & Statutory Auditor, 61 Dublin Street, Edinburgh EH3 6NL

## **THE REDWOODS CARING FOUNDATION**

**Year ending 31 March 2019**

**Directors' Report (cont.)**

### **Objectives and Activities**

The charity was established in 1986 and the Memorandum and Articles of Association, last updated in December 2018, sets out that the charity was established for the provision, as an expression of Christian faith in action, of care and support for those in need. Primarily (and currently exclusively) this will be care and support, in a variety of settings, for adults with Learning Disabilities, but may include any vulnerable group of people as the Members/Directors see fit.

Care and support is provided through our 24 hour Housing Support Service (HSS – comprising Care at Home and Housing Support elements as registered with the Care Inspectorate) for up to 18 people, and day activities are provided by our Telfie Central day service hub for a further 18 people across a week.

#### *Mission Statement:*

Redwoods exists to demonstrate God's heart of love and His care to people who have learning disabilities. We honour, respect and value each person, seeking to recognise their individual potential. We aim to support and encourage them to accomplish their dreams and live fulfilled lives.

As a Christian organisation, our ethos emerges from a desire to express God's love to all those with whom we come into contact and, as staff, to reflect this love in our relationships with each other. Our motivation is rooted in our relationship with God through Jesus Christ and our faith produces a distinctive heart attitude of love.

This is outworked through the upholding of seven values: people, security, involvement, staff, excellence, partnership and development.

'Lives fulfilled through love' has been added to our logo to better convey the vision and values of the organisation.

Volunteers continue to play a vital role in the organisation, and their valuable contribution supports our mission statement and strategic aims, and complements the role of paid staff.

### **Review of the Year**

#### *Lives Fulfilled Through Love*

This is the theme that the Redwoods' Board agreed to describe the outcome of what we do for both the people we support and our amazing staff team. And nothing embodies that statement more than when one of the people we have supported for many years fulfilled his life-long dream this year to move from a group home to his own tenancy. It is because of the love and support that he has been shown over the years that this has become a reality.

Other significant developments over the last year included the preparation of the allotment for our day service (Telfie Central) to make it accessible for those using the service. We hope to develop more of a relationship with the allotment community in the coming year.

We have also entered into an exciting partnership with Track2Train, part of Apex Scotland, and work has begun to prepare our walled garden area in Midlothian to become a productive fruit and vegetable garden. In addition we will receive support to continue to develop our sensory footpath.

**THE REDWOODS CARING FOUNDATION**  
**Year ending 31 March 2019**  
**Directors' Report (cont.)**

For the first time, Redwoods became a Tier 5 Charity Worker sponsor and, as a result, we have our first international volunteer serving with us for a year. We are grateful, too, for the time given by family and friends of the people we support on a voluntary basis, especially in the upkeep of our large grounds.

The annual BBQ was anticipated by many and we enjoyed good weather. The Redwoods Tiger Group (part of the National Involvement Network and made up of people we support) helped organise it and did such a good job that we have asked them to do so again next year! The Tiger Group also produced an excellent video on good handwashing technique that has been used in staff training.

We began work this year with our staff as part of our commitment to promoting their wellbeing. We introduced a dedicated training week too, providing more in-house and Redwoods-specific training. This was well received and will be repeated.

The ongoing work to help make Redwoods more visible continued with the publication of a new high quality brochure, the development of a dedicated website for our Telfie Central service, and work began on a new website for the organisation as a whole. With one of our support workers, we also attended a primary school career's fair to introduce the older children to some of the things we do and give them a flavour of what a job in care looks like. Our new Church Prayer Guide was launched as part of our initiative to build connections into the local Christian community.

We had some new staff join the Redwoods family, but also said goodbye to others, including a senior manager who retired after a long period of service.

As always, we are indebted to various trusts, churches and individuals who continue to support our work and enable us to invest into our services and do things we would otherwise not be able to do.

The Gospel of John, chapter 10, verse 10 says, "But I have come to give you everything in abundance, more than you expect – **life in its fullness** until you overflow!" (The Passion translation). What we have achieved over the last year would not have been possible without the amazing, abundant provision of our loving heavenly Father to whom we give the glory and the praise.

**Financial Review**

The organisation's income in 2018/19 was £1,575,416 and total expenditure was £1,501,025. This resulted in an overall surplus for the year of £74,391. At 31/03/19 our reserves balance was £420,915 comprised of £42,019 restricted funds and £378,896 unrestricted funds.

The main funding sources of the organisation remain as City of Edinburgh Council and Midlothian Council, who purchase our services for care and support.

As highlighted earlier in this report, the work of volunteers is important to the charity, but the value of this cannot be reliably quantified and is not therefore reflected in these financial statements.

There were no significant financial events affecting the charity during 2018/19.

Our Reserves Policy (below) sets out some of the principal risks affecting the charity and ways in which the Board of Directors is seeking to mitigate these risks.

**THE REDWOODS CARING FOUNDATION**  
**Year ending 31 March 2019**  
**Directors' Report (cont.)**

**RESERVES POLICY**

A description of the charity's aims and objectives and current service provision can be found under 'Objectives & Activities' above.

In considering the reserves of the Charity, the Board of Directors recognise that the majority of the reserves are held in tangible fixed assets and, as such, the free reserves are not extensive. At 31/03/19 our free reserves have been calculated at £114,053.

The vast majority of the charity's funding is through local councils, for services provided and is, as such, stable, but it does leave the organisation vulnerable to:

- Vacancies;
- Dramatic changes in funding levels for the people we support;
- Unforeseen repairs to buildings where our services are delivered;
- Delayed payments due to lengthy processing times within Council departments.

In order to deal with cashflow and the risk of delayed payments, it is agreed that Redwoods will maintain an overdraft facility (currently at £75,000) with CAF Bank Ltd. As a guide, the charity will ensure that this level of borrowing does not exceed 50% of the market value of properties owned.

In order to deal with the other noted risks, the charity is actively seeking to maintain free reserves of £100,000, which would allow

- the payment of personnel costs for a month even if no funding were received
- deal with unforeseen repairs

The organisation has continued to see an increase in unrestricted donations, from £18,408 in 2017/18 to £19,613 in 2018/19, and is committed to identifying other sources of non-statutory income. A change in budgeting to ensure more flexibility for staffing has helped achieve the free reserves target and the Board are keen to maintain this going forward.

The Board of Directors are committed to monitoring the level of free reserves on an ongoing basis, and a review of this policy, along with a wider financial risk assessment, on a yearly basis.

**Plans for the Future**

Along with the creation of a new website for the organisation, planned to go live during 2019, we produced Church Prayer Guide this year. We are looking forward to using these to extend our links with the community and local churches.

In addition, Church Connections is an initiative designed to create a simple and flexible relationship between Redwoods and local churches who share our heart for adults with learning disabilities. It will enable churches to get involved in the work of Redwoods in a number of different ways and through time will enable us to broaden, deepen and strengthen our connections and relationships with the local church.

Leaders Make Vision Reality: LMVR is designed to infuse the leadership of Redwoods with the vision that God has given us and give us a deeper and stronger connection to the purposes of God for Redwoods.

## **THE REDWOODS CARING FOUNDATION**

**Year ending 31 March 2019**

### **Directors' Report (cont.)**

The programme will provide the support for our leaders to grow both individually and together and in turn to infuse their teams with our vision. LMVR will also provide an organisational structure that will ensure that God's love and God's purposes for Redwoods are always at the centre of who we are and what we do.

*Mental Health First Aid:* this is part of our investment into the well-being of our staff. We recognise and appreciate our staff have demanding jobs, and we want to do all that we can to support them. All staff who supervise other staff will be trained and qualified as Mental Health First Aiders so they can help a person who may be at risk of developing a mental health problem, prevent worsening of an existing mental health problem and bring support in the event of someone having a mental health crisis.

Our long-term plan to create a sensory footpath continues, and we look forward to seeing this develop further during the coming year.

### **Structure and Governance**

The charity has a governing document (Memorandum & Articles of Association) that was last updated in December 2018.

#### *Board of Directors*

Supporting the work of our dedicated front-line care staff, we have a Board consisting of 8 Directors, as listed above, and this has remained unchanged throughout the year.

The Board, as a whole, is responsible for setting the strategic vision for the company. 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 the Finance Manager from within the organisation, who is available to report and advise as required.

New directors are recruited on the basis of required skills, combined with a shared passion for the purpose, ethos and values of Redwoods, and will generally be known to one or more of the existing directors.

The induction process for newly-appointed Directors includes:

- Meetings with the existing Board members
- Visits to the various sites where the charity operates
- Provision of documentation:
  - Founding documents
  - Minutes of past Board meetings
  - History of the organisation
  - Past Annual Reports and Accounts

No Board members receive remuneration for their role as a Director. The Managing Director and Operations & Connections Manager receive remuneration as discussed below.

During the year the charitable company has continued to provide services to a close family member of two of the Directors on a normal commercial basis. There were no other related party transactions.

**THE REDWOODS CARING FOUNDATION**  
**Year ending 31 March 2019**  
**Directors' Report (cont.)**

*Key Management Personnel*

The Redwoods Leadership Group oversee the day-to-day management of our services, in conjunction with Team Leaders and other service-based senior staff. During the year this group comprised:

- Chris Townsend (Managing Director)
- Gavin Lawson (Operations and Connections Manager)
- Veronica Housden (Day Service Manager – *left December 2018*)
- Dorota Swales (Home Support Service Manager)

The people holding these positions are included on a salary scale, approved by the Board of Directors, that is available to all paid employees.

Furthermore we are ably supported by an office staff team in the areas of finance, administration and Health & Safety.

**Directors' Responsibilities**

The Directors (who are also Trustees of The Redwoods Caring Foundation for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**THE REDWOODS CARING FOUNDATION**

**Year ending 31 March 2019**

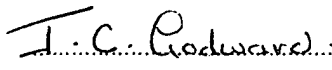
**Directors' Report (cont.)**

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved and signed on behalf of the Board of Directors on .....09/09/19..... by:

 .....  
Jeanette C Godward  
(Director)

## **Independent Auditor's Report to the Directors and Members of The Redwoods Caring Foundation**

### **Opinion on financial statements**

We have audited the financial statements of The Redwoods Caring Foundation for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Independent Auditor's Report to the Directors and Members of The Redwoods Caring Foundation (continued)**

### **Other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charity 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities set out on page 6 the Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report to the Directors and Members of The Redwoods Caring Foundation  
(continued)**

**Auditor's responsibilities for the audit of the financial statements**

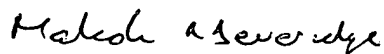
We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its Directors as a body, for our audit work, for this report, or for the opinions we have formed.



Malcolm Beveridge CA (Senior Statutory Auditor)  
For and on behalf of  
CHIENE + TAIT LLP  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh, EH3 6NL

13 SEPTEMBER 2019

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
*(incorporating the Income & Expenditure Account)*  
**for the year ended 31 March 2019**

	Note	2019			2018		
		£	£	£	£	£	£
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
<b>INCOME &amp; ENDOWMENTS</b>							
Donations, Legacies and Similar		19,613	10,220	29,833	18,408	14,008	32,416
Income from charitable activities		1,545,327	230	1,545,557	1,370,005	210	1,370,215
Income from Investments							
Interest Receivable		26	-	26	15	-	15
Other income							
Gain on disposal of asset		-	-	-	300	-	300
<b>TOTAL INCOME &amp; ENDOWMENTS</b>		<b>1,564,966</b>	<b>10,450</b>	<b>1,575,416</b>	<b>1,388,728</b>	<b>14,218</b>	<b>1,402,946</b>
<b>EXPENDITURE</b>							
Expenditure on Raising Funds							
Fundraising		714	-	714	659	-	659
Expenditure on charitable activities							
Direct Charitable Expenditure		1,483,254	10,720	1,493,974	1,404,650	15,649	1,420,299
Support Costs		6,337	-	6,337	4,853	-	4,853
<b>TOTAL EXPENDITURE</b>		<b>1,490,305</b>	<b>10,720</b>	<b>1,501,025</b>	<b>1,410,162</b>	<b>15,649</b>	<b>1,425,811</b>
<b>Net Income/(Expenditure)</b>		<b>74,661</b>	<b>(270)</b>	<b>74,391</b>	<b>(21,434)</b>	<b>(1,431)</b>	<b>(22,865)</b>
<b>Fund Transfers</b>		<b>(389)</b>	<b>389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>74,272</b>	<b>119</b>	<b>74,391</b>	<b>(21,434)</b>	<b>(1,431)</b>	<b>(22,865)</b>
<b>Fund balances brought forward at 1 April 2018</b>	16	<b>304,624</b>	<b>41,900</b>	<b>346,524</b>	<b>326,058</b>	<b>43,331</b>	<b>369,389</b>
<b>Fund balances carried forward at 31 March 2019</b>		<b>378,896</b>	<b>42,019</b>	<b>420,915</b>	<b>304,624</b>	<b>41,900</b>	<b>346,524</b>

The notes on pages 14 to 19 form part of these accounts

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

**BALANCE SHEET**  
as at 31 March 2019

	Notes	2019		2018	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		223,494		237,339
<b>CURRENT ASSETS</b>					
Stock		2,699		2,596	
Debtors	13	131,401		167,959	
Bank accounts & cash in hand		<u>99,055</u>		<u>29,708</u>	
		<u>233,155</u>		<u>200,263</u>	
<b>CURRENT LIABILITIES</b>					
Amounts due within one year	14	<u>(35,734)</u>		<u>(89,355)</u>	
<b>NET CURRENT ASSETS</b>			<u>197,421</u>		<u>110,908</u>
<b>TOTAL NET ASSETS</b>			420,915		348,247
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		-		<u>(1,722)</u>
<b>NET ASSETS</b>			<u>420,915</u>		<u>346,525</u>
<b>CAPITAL AND RESERVES</b>	16				
Unrestricted funds			378,896		304,624
Restricted funds			<u>42,019</u>		<u>41,900</u>
			<u>420,915</u>		<u>346,524</u>

Approved by the board on (date) 09/09/19  
and signed on its behalf by:

*J.C. Rodward*

Jeanette C Godward  
(Director)  
Company Number: SC125367

The notes on pages 14 to 19 form part of these accounts

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

**STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2019

	2019 £	2018 £
<b>Cash flows from operating activities (see below)</b>		
Net cash generated by/(used in) operating activities	106,658	(30,391)
<b>Cash flows from investing activities</b>		
Interest received	26	15
Purchase of property and equipment	-	(4,350)
Proceeds of disposal of property and equipment	-	300
Net cash used in investing activities	26	(4,035)
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(3,933)	(4,870)
Net cash used in financing activities	(3,933)	(4,870)
<b>Change in cash and cash equivalents in the year</b>	<u>102,751</u>	<u>(39,296)</u>
<b>Cash and cash equivalents and the beginning of the year</b>	(3,696)	35,600
<b>Cash and cash equivalents at the end of the year</b>	<u>99,055</u>	<u>(3,696)</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in bank and hand	30,528	29,708
Bank balance / (overdraft)	<u>68,527</u>	<u>(33,404)</u>
	<u>99,055</u>	<u>(3,696)</u>
	2019	2018
	£	£
<b>Cash flows from operating activities</b>		
Reconciliation of net income to net cash flow from operating activities:		
Net expenditure for the year	74,391	(22,866)
Adjustments for:		
Depreciation	13,844	14,905
Gain on disposal of fixed assets	-	(300)
Investment income	(26)	(15)
(Increase)/Decrease in stock	(103)	343
Decrease/(increase) in debtors	36,558	(30,567)
(Decrease)/increase in creditors	(18,006)	8,109
Net cash inflow/(outflow) from operating activities	<u>106,658</u>	<u>(30,391)</u>

The notes on pages 14 to 19 form part of these accounts

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

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2019

**1. COMPANY INFORMATION**

The Redwoods Caring Foundation is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC125367. The registered office is Kirk Farm House, 6 Lasswade Road, Edinburgh EH16 6RZ. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the charitable company.

**2. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

**2.1 Accounting Convention**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, in accordance with the Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Memorandum and Articles of Association.

The Redwoods Caring Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**2.2 Going Concern**

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Charity's ability to continue as a going concern and have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements and are satisfied that no material uncertainties exist in respect of going concern.

**2.3 Significant judgements and estimation uncertainty**

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**2.3.1 Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for carrying amounts of tangible assets.

**2.4 Donations, legacies and similar income**

Donations, legacies and similar income is included in the year in which it is receivable, which is when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably.

**2.5 Statutory authority contracts and grants receivable**

Statutory authority contracts and revenue grants are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Where grants are specifically made for the performance of charitable activities in a period subsequent to the year-end they are deferred and excluded from the Statement of Financial Activities.

**2.6 Housing Income**

Income for the provision of housing received from local authorities is recognised in the accounting period to which it relates, with any income received in advance deferred to the subsequent accounting period.

**2.7 Expenditure**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

- Costs of raising funds are those associated with generating grants, donations, and investment income, and charitable activities costs are those expended on meeting the charity's objectives.
- Charitable activities include expenditure associated with meeting the charity's primary objectives and include both the direct costs and the support costs relating to these activities.
- Included within support costs are Governance costs which are those of a constitutional, strategic, or statutory nature with respect to the general running of the charity, rather than day to day management.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and payroll costs which support the charitable activities.

Within support costs are governance costs which include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

**2.8 Leases**

The charity has no material finance leases. Costs in relation to operating leases are charged on a straight line basis to the Statement of Financial Activities over the life of the lease.

**2.9 Irrecoverable VAT**

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.



**THE REDWOODS CARING FOUNDATION**  
**Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2019**

**2.10 Taxation**

The Redwoods Caring Foundation's charitable activities fall within the exemptions afforded by the Corporation Tax Act 2010. Accordingly, there is no Corporation Tax charge in these financial statements.

**2.11 Tangible fixed assets**

All fixed assets over £1,000 are initially capitalised at cost, plus any incidental costs of acquisition. Further detail of the accounting policy relating to heritable property is set out in note 11.

**2.12 Depreciation**

Depreciation is provided on fixed assets at rates calculated to write off the cost or valuation over their expected useful lives, less estimated residual value, as follows:

Freehold land & buildings:	2% straight line
Leasehold improvements:	over the length of the lease
Central heating:	25% straight line
Furnishings & equipment:	25% straight line
Motor vehicles:	25% straight line

**2.13 Stock**

Stocks consist of medical, cleaning and stationery supplies (bought centrally) and are stated at the lower of cost and net realisable value.

**2.14 Debtors and accrued income**

Sundry debtors and accrued income are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

**2.15 Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.16 Creditors**

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**2.17 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments other than investments are initially recognised at transaction value and subsequently measured at their settlement value.

**2.18 Funds**

Unrestricted general funds are the funds which can be used in accordance with the charitable objects at the discretion of the Directors. Restricted funds are the funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Designated funds are the funds set aside by the Directors out of the unrestricted general funds for specific future purposes and projects.

**2.19 Pensions**

The charity contributes to a defined contribution scheme for its employees and the pension charge in the Statement of Financial Activities represents the amounts payable by the charity to the scheme in the year.

**2.20 Funds held as Custodian Trustee on behalf of others**

During the year the charity held funds in trust on behalf of service users which amounted to £73,140 (2018: £63,645) at the year end. These balances are kept separate from funds held by the charity and controls are in place to ensure the safe custody of said funds.

**2.20 Investments**

The charity owns the entire issued share capital of Redwoods Services Limited, a limited company registered in Scotland with net assets of £2 as at 31 March 2019. Redwoods Services Limited is dormant and did not trade within the two years to 31 March 2019.

**3. INCOME**

The analysis of income by source was as follows:

	2019			2018		
	£ Unrestricted Funds	£ Restricted Funds	£ Total Funds	£ Unrestricted Funds	£ Restricted Funds	£ Total Funds
Donations, Legacies and similar	1,775	-	1,775	7,929	-	7,929
Music & Arts Project Fund	-	50	50	-	-	-
Voluntary Sector Development Fund	-	10,170	10,170	-	7,758	7,758
Sensory Footpath Fund	-	-	-	-	6,250	6,250
Disabled Toilet Fund	-	-	-	-	-	-
Autism Programme Fund	-	-	-	-	-	-
Barclay Viewforth Fund	-	-	-	2,500	-	2,500
Designated Fund income:						
Feel Good Fund	10	-	10	-	-	-
Ash Lea	4,800	-	4,800	2,513	-	2,513
Beeches	6,000	-	6,000	4,800	-	4,800
Oak View	3,527	-	3,527	-	-	-
Paisley Drive	3,500	-	3,500	-	-	-
Telfie Central	-	-	-	666	-	666
Sub total of income from donations, legacies and similar	19,613	10,220	29,833	18,408	14,008	32,416
Income from charitable activities by service:						
Ash Lea (Care at Home/Housing Support Service)	244,001	-	244,001	251,132	-	251,132
Beeches (Care at Home/Housing Support Service)	166,585	-	166,585	158,685	-	158,685
Oak View (Care at Home/Housing Support Service)	468,748	-	468,748	343,410	-	343,410
Paisley Drive (Care at Home/Housing Support Service)	279,345	-	279,345	253,011	-	253,011
Telfie Central (Day Service)	184,742	-	184,742	183,888	-	183,888
Central Services	15	-	15	3,000	-	3,000
Housing Provision	201,891	-	201,891	176,878	-	176,878
Music therapy	-	230	230	-	210	210
Sub total of income from charitable activities	1,545,327	230	1,545,557	1,370,005	210	1,370,215
Income from investments (interest)	26	-	26	15	-	15
Gain on disposal of asset (vehicle)	-	-	-	300	-	300
	1,564,966	10,450	1,575,416	1,388,728	14,218	1,402,946

**THE REDWOODS CARING FOUNDATION**  
**Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2019**

**4. EXPENDITURE**

The analysis of expenditure is as follows:

	Central Services	Tellie Central	Paisley Drive	Ash Lea	Beeches	Oak View	Total Unrestricted	2018 Total Unrestricted
<b>Unrestricted Funds</b>								
Costs of raising funds	714	-	-	-	-	-	714	659
Charitable expenditure in furtherance of objectives:								
Personnel	124,072	142,385	221,834	200,021	409,678	141,355	1,239,345	1,159,706
Premises	113,226	22,455	2,522	5,692	4,581	1,803	150,280	152,368
Services	2,046	8,139	11,305	8,898	10,253	5,105	45,746	46,741
Barclay Viewforth Fund	113	-	-	-	-	-	113	372
Designated Fund expenditure:								
Ash Lea	925	-	-	-	-	-	925	-
Beeches	1,121	-	-	-	-	-	1,121	-
Oak View	2,280	-	-	-	-	-	2,280	-
Paisley Drive	-	-	-	-	-	-	-	-
Tellie Central	250	-	-	-	-	-	250	-
Feel Good Fund	55	-	-	-	-	-	55	-
Admin	23,085	6,739	3,579	3,688	3,241	2,807	43,139	45,464
	<b>267,173</b>	<b>179,719</b>	<b>239,240</b>	<b>218,299</b>	<b>427,753</b>	<b>151,070</b>	<b>1,483,254</b>	<b>1,404,650</b>
<b>Support Costs</b>								
Interest Payable	100	125	4	37	141	-	407	653
Audit Fees	-	1,186	1,186	1,186	1,186	1,186	5,930	4,200
	<b>100</b>	<b>1,311</b>	<b>1,190</b>	<b>1,223</b>	<b>1,327</b>	<b>1,186</b>	<b>6,337</b>	<b>4,853</b>
<b>TOTAL</b>	<b>267,987</b>	<b>181,030</b>	<b>240,430</b>	<b>219,522</b>	<b>429,080</b>	<b>152,256</b>	<b>1,490,305</b>	<b>1,410,162</b>

							Total Restricted	2018 Total Restricted
<b>Restricted Funds</b>								
Charitable expenditure in furtherance of objectives:								
Music & Arts Project Fund	2,382	-	-	-	-	-	2,382	2,132
Voluntary Sector Development Fund	6,897	-	-	-	-	-	6,897	7,759
Sensory Footpath Fund	220	-	-	-	-	-	220	5,750
Disabled Toilet Fund	788	-	-	-	-	-	788	8
Autism Programme Fund	433	-	-	-	-	-	433	-
<b>TOTAL</b>	<b>10,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,720</b>	<b>15,649</b>

**5. NET EXPENDITURE**

	2019 £	2018 £
Surplus on ordinary activities is stated after charging the following:		
Depreciation (Note 11)	13,845	14,905
Auditors' remuneration	5,930	4,200

**6. STAFF PARTICULARS**

	2019 £	2018 £
Staff costs comprised:		
Staff Salaries	997,393	977,890
Agency staff costs	137,071	80,617
National Insurance costs	64,517	72,427
Pension costs	16,642	13,078
Recruitment costs	2,912	2,310
Staff training costs	18,333	11,916
Staff travel costs	2,435	1,068
Gifts	41	400
	<b>1,239,345</b>	<b>1,159,706</b>

The total number of employees at 31/03/19 was:

**75**      **72**

There are no employees receiving remuneration in excess of £60,000.

**7. DIRECTORS' EMOLUMENTS, KEY MANAGEMENT PERSONNEL REMUNERATION AND RELATED PARTIES**

The Managing Director and Operations Manager also sit on the Board of Directors. They receive remuneration for their roles as Managing Director and Operations Manager respectively (shown below), but receive no remuneration for their roles as Directors.

	2019 £	2018 £
Salaries -		
Managing Director	26,412	26,121
Operations Manager	18,445	3,788
National Insurance costs	3,865	2,769
Pension costs	1,422	1,071
	<b>50,144</b>	<b>33,749</b>

There were no related party transactions during the year other than as noted above.

The key management personnel of the charity comprise the Board of Directors and the Redwoods Leadership Group (currently comprised of Managing Director, Operations Manager, Day Services Manager, Home Support Manager). The total employee benefits of the key management personnel of the charity were £86,797 (2018: £89,293).

**THE REDWOODS CARING FOUNDATION**  
**Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2019**

**8. PENSION COSTS**

All qualifying employees are automatically enrolled in a pension scheme with Legal & General, at a minimum of 3% of qualifying earnings. Redwoods match this with a contribution of 2% in line with government legislation.

**9. INTEREST RECEIVABLE**

	2019 £	2018 £
This represents interest receivable on bank deposits:	26	15

**10. INTEREST PAYABLE AND SIMILAR CHARGES**

	2019 £	2018 £
Interest payable and similar charges comprised:		
On bank overdraft wholly repayable within five years	307	477
Interest on other loans	100	176
	<u>407</u>	<u>653</u>

**11. TANGIBLE FIXED ASSETS**

	<u>Freehold Land &amp; Buildings</u>	<u>Leasehold Improvements</u>	<u>Central Heating</u>	<u>Furnish- ings &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£	£
<b>COST</b>						
Opening Balance	458,341	21,590	3,650	79,623	11,500	574,704
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing Balance	<u>458,341</u>	<u>21,590</u>	<u>3,650</u>	<u>79,623</u>	<u>11,500</u>	<u>574,704</u>
<b>AGGREGATE DEPRECIATION</b>						
Opening Balance	231,977	21,590	3,574	73,849	6,375	337,365
Charge for year	9,940	-	76	2,328	1,500	13,845
Charged on disposal	-	-	-	-	-	-
Closing Balance	<u>241,917</u>	<u>21,590</u>	<u>3,650</u>	<u>76,177</u>	<u>7,875</u>	<u>351,210</u>
<b>NET BOOK VALUE</b>						
Opening Balance	<u>226,364</u>	-	<u>76</u>	<u>5,774</u>	<u>5,125</u>	<u>237,339</u>
Closing Balance	<u>216,424</u>	-	-	<u>3,446</u>	<u>3,625</u>	<u>223,494</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, Newtongrange	(valued September 2015)	£750,000
Redwoods House - Caretaker's house	(valued September 2015)	£150,000
12 Paisley Drive, Edinburgh	(valued March 2018)	£550,000

The Charities Aid Foundation Bank (CAF Bank Ltd) holds a standard security over Redwoods House, in connection with the overdraft facility (£75,000) taken out in December 2014.

**12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	2019			2018		
	Tangible fixed assets	Net current assets	Total	Tangible fixed assets	Net current assets	Total
	£	£	£	£	£	£
Unrestricted funds - general	212,679	124,868	337,547	225,886	50,094	275,980
Unrestricted funds - designated	-	41,349	41,349	-	28,644	28,644
Restricted funds	10,815	31,204	42,019	11,452	30,448	41,900
<b>Total</b>	<u>223,494</u>	<u>197,421</u>	<u>420,915</u>	<u>237,338</u>	<u>109,186</u>	<u>346,524</u>

**THE REDWOODS CARING FOUNDATION**  
**Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2019**

13. DEBTORS	2019	2018
	£	£
Sundry Debtors	3,017	5,511
Accrued income	125,641	160,049
Prepayments	2,744	2,398
	<u>131,401</u>	<u>167,959</u>

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

14. CREDITORS	Amounts falling due within one year		Amounts falling due between one and two years	
	2019	2018	2019	2018
	£	£	£	£
Bank overdraft (CAF Bank)	-	33,404	-	-
Bank loans	1,647	3,858	-	1,722
Trade creditors	3,803	15,902	-	-
Accruals and deferred income	15,183	18,592	-	-
Taxation and social security	15,101	17,599	-	-
Other creditors	-	-	-	-
	<u>35,734</u>	<u>55,951</u>	<u>-</u>	<u>1,722</u>

The bank overdraft is secured by a charge over the company's properties.

Loans include only the following:

- Hazelwood Grove: Term Loan of £65,450 taken over 15 years from September 2004
- Energy Saving Trust: Term Loan of £4,420 taken over 48 months from April 2014 (repaid April 2018)

15. LEASE COMMITMENTS	2019	2018
Total future minimum lease payments under non-cancellable operating leases:	£	£
Within 1 year	18,791	18,791
Within 2 to 5 years	4,037	6,728
After more than 5 years	-	-
	<u>22,828</u>	<u>25,519</u>

16. TOTAL RESERVES	2019			2018
	£	£	£	£
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Opening Balance	304,624	41,900	346,524	369,389
Retained surplus / (deficit) for the year	74,661	(270)	74,391	(22,865)
Fund Transfers	(389)	389	-	-
Closing balance	<u>378,896</u>	<u>42,019</u>	<u>420,915</u>	<u>346,524</u>

17. RESTRICTED FUNDS	2019				
	Opening Balance at 1 Apr '18	Incoming Resources	Movement in Funds Outgoing Resources	Fund Transfers	Balance at 31 Mar '19
Fund	£	£	£	£	£
Music & Arts Project Fund	20,735	280	(2,382)	-	18,633
VSD Fund	17,919	10,170	(6,897)	-	21,192
Sensory Footpath Fund	2,414	-	(220)	-	2,194
Disabled Toilet Fund	411	-	(788)	377	-
Autism Programme Fund	421	-	(433)	12	-
	<u>41,900</u>	<u>10,450</u>	<u>(10,720)</u>	<u>389</u>	<u>42,019</u>

	2018				
	Opening Balance at 1 Apr '17	Incoming Resources	Movement in Funds Outgoing Resources	Fund Transfers	Balance at 31 Mar '18
Fund	£	£	£	£	£
Music & Arts Project Fund	22,657	210	(2,132)	-	20,735
VSD Fund	17,920	7,758	(7,759)	-	17,919
Sensory Footpath Fund	1,914	6,250	(5,750)	-	2,414
Disabled Toilet Fund	419	-	(8)	-	411
Autism Programme Fund	421	-	-	-	421
	<u>43,331</u>	<u>14,218</u>	<u>(15,649)</u>	<u>-</u>	<u>41,900</u>

Active Fund Descriptions	
Music & Arts Project Fund	Comprised of legacy donations for the establishment and ongoing provision of a Music Therapy service. <i>Restrictions</i> : for the legacies, monies must be spent on the ongoing provision of this service.
VSD Fund	Scottish Government funding to cover payment of care staff training (SVQ's) <i>Restrictions</i> : can only be spent on training.
Sensory Footpath Fund	Money generated from fundraising for the creation of a Sensory Footpath in the grounds of Redwoods House. <i>Restrictions</i> : donors have given on the understanding it will be used for the purpose stated above.
Disabled Toilet Fund	Money generated from fundraising for the building of a disabled toilet at Redwoods House <i>Restrictions</i> : no official restrictions, but remaining funds remain internally designated for ongoing upkeep.
Autism Programme Fund	Grant from Autism Development Fund for training, equipment and refurbishment <i>Restrictions</i> : can only be spent on the items outlined in the funding application

**THE REDWOODS CARING FOUNDATION**  
**Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2019**

**18. UNRESTRICTED DESIGNATED FUNDS**

Fund	2019				Balance at 31 Mar '19 £
	Balance at 1 Apr '18 £	Incoming Resources £	Outgoing Resources £	Fund Transfers £	
	£	£	£	£	£
Barclay Viewforth Church Donations	2,128	-	(113)	(877)	1,138
Telfie Central	8,516	-	(250)	(12)	8,254
Paisley Drive	1,101	3,500	-	-	4,601
Beeches	14,387	6,000	(1,121)	-	19,266
Ash Lea	2,513	4,800	(925)	-	6,388
Oak View	-	3,527	(2,280)	-	1,247
Feel Good Fund	-	10	(55)	500	455
	<b>28,645</b>	<b>17,838</b>	<b>(4,744)</b>	<b>(389)</b>	<b>41,349</b>

Fund	2018				Balance at 31 Mar '18 £
	Balance at 1 Apr '17 £	Incoming Resources £	Outgoing Resources £	Fund Transfers £	
	£	£	£	£	£
Barclay Viewforth Church Donations	-	2,500	(372)	-	2,128
Telfie Central	7,850	666	-	-	8,516
Paisley Drive	1,101	-	-	-	1,101
Beeches	9,587	4,800	-	-	14,387
Ash Lea	-	2,513	-	-	2,513
Oak View	-	-	-	-	-
Feel Good Fund	-	-	-	-	-
	<b>18,538</b>	<b>10,479</b>	<b>(372)</b>	<b>-</b>	<b>28,645</b>

<b>Purpose of designated funds</b>	These represent money given to Redwoods to be spent on specific units or purposes but which carry no official restriction. They are not restricted funds but have been internally designated by the Board.
------------------------------------	--