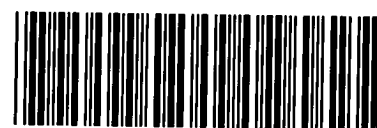




**THE REDWOODS CARING FOUNDATION
ANNUAL REPORT
& ACCOUNTS
2019-20**

Charity Number: SC 013566
Company Number: SC 125367

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22/12/2020

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COMPANIES HOUSE

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THE REDWOODS CARING FOUNDATION
Year ending 31 March 2020
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) (*part year - resigned 16/12/19*)

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 2020
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, and displayed on our logo with the phrase 'lives fulfilled through love'.

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

A reflection of the year through the lens of God's Goodness

As we look back on the year 2019-2020 we choose to view that reflection through the lens of God's Goodness. That is not to deny the challenges and hard times but rather to endeavour to raise our vision to see the "bigger picture". If we let them, the hard seasons and difficult times will strengthen us, re-shape us and very often reset us on a new or better path.

There have, as in every year, been times which have both individually and corporately brought joy, peace and fulfilment.

There have also been times of strain, challenge and, seemingly, "no way out".

But in all things and at all times the Goodness of God has prevailed. His Goodness has been shown in a multiplicity of ways but our focus in this year's reflection will be to muse on His Provision, His Purpose and His Presence.

THE REDWOODS CARING FOUNDATION

Year ending 31 March 2020

Directors' Report (cont.)

Firstly then.....His Provision has been evident throughout the year. We are so grateful for His Provision of incredibly gifted, tenacious and visionary leaders and staff team members, some of whom have been journeying with Redwoods for 24+ years. Others have more recently joined us, but, however long or short a time they have been with us, we are endlessly grateful to God for His handpicked provision. The ways in which each one fulfils their role either directly or indirectly supporting the precious people who are the reason Redwoods exists is incredible. Each person brings who they are, with their individual gifts and talents, demonstrating unconditional love and helping the people they support to lead more fulfilled lives, doing things they enjoy, doing some things they have never done before and loving it(!), having their voices heard and being loved and cherished for just who they are.

That is the Goodness of God from our perspective.

There are many individual stories of adventures and achievements - one gentleman, after obtaining his first passport ever, went on to enjoy his first holiday abroad. One of the people we have supported for over 20 years fulfilled a lifetime dream of attending a boxercise class. Another lady who recently moved into her Redwoods tenancy said that for the first time in her life she felt safe.

We always miss staff when they move on from Redwoods but we are forever grateful to them for what they have deposited in the lives of those they have supported, their colleagues and in Redwoods as a whole.

An area of staff-related Provision worthy of note is the establishment of a framework which facilitates the ongoing envisioning and development of, initially, the leaders and, ultimately, each staff member in Redwoods. We are grateful for the expertise of the senior leaders who have been central to and have significantly shaped this process.

We have sought to equip and support staff through inspired training which incorporates our values into the necessary leadership, social care skills and knowledge required to deliver a high quality service. We are indebted to the senior leaders again for their diligence, skills and insight when developing and executing a very comprehensive programme of both generic and person-centred learning opportunities.

The Provision of finance throughout the year has been further evidence of God's Goodness. From a service-funding perspective, we are grateful to the City of Edinburgh and Midlothian Councils for their continued commitment to matching the individual support needs with the appropriate level of funding. We value the partnership with both councils and appreciate the developing support and advice which the council officers have provided during the year.

This financial Provision has allowed, for the first time in many years, much more realistic budget management within Redwoods.

We are also thankful for the fundraising challenges which a number of people have enthusiastically embraced as well as some generous financial donations - which have allowed us to enhance the environments and resources to the benefit of the people. One of our senior staff embraced a strenuous 24-hour running event and raised a substantial sum which has provided very necessary refurbishment in one of our properties.

THE REDWOODS CARING FOUNDATION
Year ending 31 March 2020
Directors' Report (cont.)

Practically we have much to be grateful for in the last year...Upgrading of gardens, ongoing development of a sensory pathway and an indoor sensory space in Telfie Central.

Secondly, God's Goodness has been evident through the ongoing revelation of His Purposes.

We have sought to equip and support the staff teams in order that they can champion the people we support to enjoy fulfilled, peace-filled, joy-filled lives where, if it is adventure they seek, then anything is possible.

God's Purposes for ALL in Redwoods is that they know that they are cherished and honoured for who they are and that, as His love is reflected in all our relationships and actions, we will expect to see lives transformed, healed and abundantly fulfilled.

Indeed that is a tall order and we know in Redwoods that we can't do it in our own strength.

However thirdly, we as staff in Redwoods recognise that none of this is possible without His Presence in our lives and we are eternally grateful for the peace, energy and direction that this brings to the life of Redwoods.

Even after 34 years we never cease to be humbled as we marvel at how much each person we support nourishes, encourages and envisions each staff member and we recognise that this is further evidence of God's Goodness to us that He brings into the life of Redwoods, people who on the face of it would benefit from our support but in fact they are our main teachers, supporters and envisionaries.

In conclusion the Goodness of God has been abundantly evident as we reflect on this past year.

Without His Goodness in the life of Redwoods the challenging times would be impossible to navigate but His Goodness allows us to learn from and embrace challenges.

We are so grateful that when God established Redwoods He did not "leave us to get on with it". His Goodness has never and will never leave us.

The words of a contemporary Christian song seems to capture our thoughts of reflection.....

"All throughout my (our) history your faithfulness has walked beside us
The winter storms made way for spring
In every season from where I'm (we're) standing

I (we) see the evidence of your Goodness all over my(Redwoods) life
I (we) see your promises in fulfilment all over my (Redwoods) life."

Josh Baldwin
#bethelmusic
2020

THE REDWOODS CARING FOUNDATION

Year ending 31 March 2020

Directors' Report (cont.)

Financial Review

The organisation's income in 2019-20 was £1,682,129 and total expenditure was £1,643,591. This resulted in an overall surplus for the year of £38,538. At 31/03/20 our reserves balance was £459,453, comprised of £32,100 restricted funds and £427,353 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 2019/20 although, at the time of writing, the Board of Directors are aware that the unfolding of the COVID19 pandemic will pose some challenges during 2020/21. We are working in conjunction with the Councils who fund us to look at this.

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.

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 31/03/20 our free reserves have been calculated at £136,563.

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 upward trend in unrestricted donations, from £19,613 in 2018/19 to £23,313 in 2019/20, is encouraging and the organisation continues to be committed to identifying other sources of non-statutory income.

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.

THE REDWOODS CARING FOUNDATION
Year ending 31 March 2020
Directors' Report (cont.)

Plans for the Future

As we look forward to next year we are very conscious of the impact of COVID19 on our world. At the close of this year it is only just becoming evident that our main focus going forward will be to support people to navigate what is becoming a very different way of living, at least for this next season.

In the next season:

- we will be enhancing our commitment to envisioning our leaders and staff;
- we will be seeking to further enhance our financial stability;
- we will be looking for creative ways to recruit more staff;
- we will be developing further the sensory footpath;
- We will be upgrading some of our facilities;
- we will be considering further expansion of our Day Service provision.

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 currently consisting of 7 Directors, as listed above. One director (Gavin Lawson) resigned from the Board on 16/12/19.

The Board, as a whole, is responsible for setting the strategic vision for the company. Board meetings are held on a 4-6 weekly 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 until his resignation the Operations & Connections Manager) receives 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 2020

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)
- Lucy Haddow (Day Service Manager)
- 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 2020

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 31/12/20 by:

J.C. Rodward

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 (the 'charitable company') for the year ended 31 March 2020 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 2020, 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 7 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

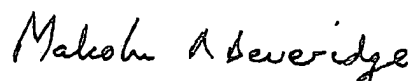
We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

18 December 2020

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 2020

	Note	2020			2019		
		£ Unrestricted Funds	£ Restricted Funds	£ Total Funds	£ Unrestricted Funds	£ Restricted Funds	£ Total Funds
INCOME & ENDOWMENTS							
Donations, Legacies and Similar		23,313	2,318	25,631	19,613	10,220	29,833
Income from charitable activities		1,656,443	15	1,656,458	1,545,327	230	1,545,557
Income from Investments							
Interest Receivable		40	-	40	26	-	26
Other Income							
Gain on disposal of asset		-	-	-	-	-	-
TOTAL INCOME & ENDOWMENTS		1,679,796	2,333	1,682,129	1,564,966	10,450	1,575,416
EXPENDITURE							
Expenditure on Raising Funds							
Fundraising		693	-	693	714	-	714
Expenditure on charitable activities							
Direct Charitable Expenditure		1,624,400	12,252	1,636,652	1,483,254	10,720	1,493,974
Support Costs		6,246	-	6,246	6,337	-	6,337
TOTAL EXPENDITURE		1,631,339	12,252	1,643,591	1,490,305	10,720	1,501,025
Net Income/(Expenditure)		48,457	(9,919)	38,538	74,661	(270)	74,391
Fund Transfers		-	-	-	(389)	389	-
Net movement in funds		48,457	(9,919)	38,538	74,272	119	74,391
Fund balances brought forward at 1 April 2019	16	378,896	42,019	420,915	304,624	41,900	346,524
Fund balances carried forward at 31 March 2020		427,353	32,100	459,453	378,896	42,019	420,915

The notes on pages 15 to 20 form part of these accounts

THE REDWOODS CARING FOUNDATION
Company Limited by Guarantee

BALANCE SHEET
as at 31 March 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		250,776		223,494
CURRENT ASSETS					
Stock		3,730		2,699	
Debtors	13	193,891		131,401	
Bank accounts & cash in hand		<u>65,302</u>		<u>99,055</u>	
		<u>262,923</u>		<u>233,155</u>	
CURRENT LIABILITIES					
Amounts due within one year	14	<u>(54,246)</u>		<u>(35,734)</u>	
NET CURRENT ASSETS			<u>208,677</u>		<u>197,421</u>
TOTAL NET ASSETS			459,453		420,915
NET ASSETS			<u>459,453</u>		<u>420,915</u>
CAPITAL AND RESERVES	16				
Unrestricted funds			427,353		378,896
Restricted funds			<u>32,100</u>		<u>42,019</u>
			<u>459,453</u>		<u>420,915</u>

Approved by the board on (date) 01/12/20
and signed on its behalf by:



Jeanette C Godward
(Director)
Company Number: SC125367

The notes on pages 15 to 20 form part of these accounts

THE REDWOODS CARING FOUNDATION
Company Limited by Guarantee

STATEMENT OF CASH FLOWS
for the year ended 31 March 2020

	2020	2019
	£	£
Cash flows from operating activities (see below)		
Net cash generated by/(used in) operating activities	13,917	106,658
Cash flows from investing activities		
Interest received	40	26
Purchase of property and equipment	(46,063)	-
Proceeds of disposal of property and equipment	-	-
Net cash used in investing activities	(46,023)	26
Cash flows from financing activities		
Repayment of borrowings	(1,647)	(3,933)
Net cash used in financing activities	(1,647)	(3,933)
Change in cash and cash equivalents in the year	(33,753)	102,751
Cash and cash equivalents at the beginning of the year	99,055	(3,696)
Cash and cash equivalents at the end of the year	65,302	99,055
Analysis of cash and cash equivalents		
Cash in bank and hand	32,983	30,528
Bank balance / (overdraft)	32,319	68,527
	65,302	99,055
	2020	2019
	£	£
Cash flows from operating activities		
Reconciliation of net income to net cash flow from operating activities:		
Net expenditure for the year	38,538	74,391
Adjustments for:		
Depreciation	18,781	13,844
Gain on disposal of fixed assets	-	-
Investment income	(40)	(26)
(Increase)/Decrease in stock	(1,031)	(103)
Decrease/(increase) in debtors	(62,490)	36,558
(Decrease)/increase in creditors	20,159	(18,006)
Net cash inflow/(outflow) from operating activities	13,917	106,658

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

ANALYSIS OF CHANGES IN NET DEBT

	At start of year	Cash flows	At end of year
Cash	99,055	(33,753)	65,302
Loans falling due within one year	(1,647)	1,647	0
Total	97,408	(32,106)	65,302

THE REDWOODS CARING FOUNDATION

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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) (second edition - October 2019) - 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.

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for the year ended 31 March 2020

- 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 £93,118 (2019: £73,140) 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 2020. Redwoods Services Limited is dormant and did not trade within the two years to 31 March 2020.

3. INCOME

The analysis of income by source was as follows:

	2020			2019		
	£	£	£	£	£	£
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
Donations, Legacies and similar	1,457	-	1,457	1,775	-	1,775
Music & Arts Project Fund	-	-	-	-	50	50
Voluntary Sector Development Fund	-	-	-	-	10,170	10,170
Sensory Footpath Fund	-	2,318	2,318	-	-	-
Designated Fund income:						
Feel Good Fund	-	-	-	10	-	10
Ash Lea	4,900	-	4,900	4,800	-	4,800
Beeches	5,900	-	5,900	6,000	-	6,000
Oak View	-	-	-	3,527	-	3,527
Paisley Drive	11,056	-	11,056	3,500	-	3,500
Sub total of income from donations, legacies and similar	23,313	2,318	25,631	19,613	10,220	29,833
Income from charitable activities by service:						
Ash Lea (Care at Home/Housing Support Service)	290,687	-	290,687	244,001	-	244,001
Beeches (Care at Home/Housing Support Service)	215,099	-	215,099	166,585	-	166,585
Oak View (Care at Home/Housing Support Service)	413,781	-	413,781	468,748	-	468,748
Paisley Drive (Care at Home/Housing Support Service)	300,615	-	300,615	279,345	-	279,345
Telfie Central (Day Service)	214,312	-	214,312	184,742	-	184,742
Central Services	-	-	-	15	-	15
Housing Provision	221,949	-	221,949	201,891	-	201,891
Music therapy	-	15	15	-	230	230
Sub total of income from charitable activities	1,656,443	15	1,656,458	1,545,327	230	1,545,557
Income from investments (interest)	40	-	40	26	-	26
	1,679,796	2,333	1,682,129	1,564,966	10,450	1,575,416

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4. EXPENDITURE

The analysis of expenditure is as follows:

	Central Services	Telfie Central	Paisley Drive	Ash Lea	Beeches	Oak View	Total Unrestricted	2019 Total Unrestricted
Unrestricted Funds								
Costs of raising funds	693	-	-	-	-	-	693	714
Charitable expenditure in furtherance of objectives:								
Personnel	151,980	152,885	244,016	266,485	361,078	190,228	1,366,672	1,239,345
Premises	107,645	21,199	2,962	3,918	3,955	2,864	142,544	150,280
Services	3,296	10,057	12,653	11,049	10,145	5,631	52,831	45,746
Barclay Viewforth Fund	480	-	-	-	-	-	480	113
Designated Fund expenditure:								
Ash Lea	708	-	-	-	-	-	708	925
Beeches	475	-	-	-	-	-	475	1,121
Oak View	1,029	-	-	-	-	-	1,029	2,280
Paisley Drive	6,546	-	-	-	-	-	6,546	-
Telfie Central	3,345	-	-	-	-	-	3,345	250
Feel Good Fund	353	-	-	-	-	-	353	55
Admin	28,243	6,784	3,711	3,422	3,712	3,546	49,417	43,139
	304,101	190,925	263,342	284,874	378,890	202,269	1,624,400	1,483,254
Support Costs								
Interest Payable	14	-	-	-	-	-	14	407
Audit Fees	-	1,246	1,246	1,247	1,247	1,246	6,233	5,930
	14	1,246	1,246	1,247	1,247	1,246	6,247	6,337
TOTAL	304,807	192,171	264,588	286,121	380,137	203,515	1,631,339	1,490,305

							Total Restricted	2019 Total Restricted
Restricted Funds								
Charitable expenditure in furtherance of objectives:								
Music & Arts Project Fund	4,388	-	-	-	-	-	4,388	2,382
Voluntary Sector Development Fund	5,396	-	-	-	-	-	5,396	6,897
Sensory Footpath Fund	2,468	-	-	-	-	-	2,468	220
Disabled Toilet Fund	-	-	-	-	-	-	-	788
Autism Programme Fund	-	-	-	-	-	-	-	433
TOTAL	12,252	-	-	-	-	-	12,252	10,720

5. NET EXPENDITURE

	2020 £	2019 £
Surplus on ordinary activities is stated after charging the following:		
Depreciation (Note 11)	18,781	13,845
Auditors' remuneration	6,232	5,930

6. STAFF PARTICULARS

	2020 £	2019 £
Staff costs comprised:		
Staff Salaries	1,078,235	997,393
Agency staff costs	176,495	137,071
National Insurance costs	71,417	64,517
Pension costs	21,803	16,642
Recruitment costs	2,051	2,912
Staff training costs	11,418	18,333
Staff travel costs	5,253	2,435
Gifts	0	41
	1,366,672	1,239,345

The average number of staff employed during the year ending 31/03/20 was: **79** **75**
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, though the Operations Director resigned as Director in December 2019). They received remuneration for their roles as Managing Director and Operations Manager respectively (shown below), but receive no remuneration for their roles as Directors.

	2020 £	2019 £
Salaries -		
Managing Director	27,169	26,121
Operations Manager	14,040	3,788
National Insurance costs	3,602	3,855
Pension costs	1,499	1,422
	46,310	35,196

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 plus the Managing Director, Operations Manager, Day Services Manager and Home Support Manager.
The total employee benefits of the key management personnel of the charity were £90,980 (2019: £86,797).

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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

	2020	2019
	£	£
This represents interest receivable on bank deposits:	40	26

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
Interest payable and similar charges comprised:		
On bank overdraft wholly repayable within five years	1	307
Interest on other loans	13	100
	14	407

11. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Leasehold Improvements	Central Heating	Furnish- ings & Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
COST						
Opening Balance	458,341	21,590	3,650	79,623	11,500	574,704
Additions	-	-	-	46,063	-	46,063
Disposals	-	-	-	(12,380)	-	(12,380)
Closing Balance	458,341	21,590	3,650	113,306	11,500	608,388
AGGREGATE DEPRECIATION						
Opening Balance	241,917	21,590	3,650	76,178	7,875	351,210
Charge for year	9,940	-	-	7,341	1,500	18,781
Charged on disposal	-	-	-	(12,380)	-	(12,380)
Closing Balance	251,857	21,590	3,650	71,138	9,375	357,611
NET BOOK VALUE						
Opening Balance	216,424	-	-	3,445	3,625	223,494
Closing Balance	206,484	-	-	42,168	2,125	250,776

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 February 2020)	1,000,000
Redwoods House - Caretaker's Lodge	(valued February 2020)	195,000
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

	2020			2019		
	Tangible fixed assets	Net current assets	Total	Tangible fixed assets	Net current assets	Total
	£	£	£	£	£	£
Unrestricted funds - general	240,522	136,563	377,085	212,679	124,868	337,547
Unrestricted funds - designated	-	50,269	50,269	-	41,349	41,349
Restricted funds	10,254	21,846	32,100	10,815	31,204	42,019
Total	250,776	208,678	459,453	223,494	197,421	420,915

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13. DEBTORS	2020	2019
	£	£
Sundry Debtors	7,006	3,017
Accrued income	183,793	125,641
Prepayments	<u>3,092</u>	<u>2,743</u>
	193,891	131,401

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

14. CREDITORS	<u>Amounts falling due within one year</u>	
	2020	2019
	£	£
Bank overdraft (CAF Bank)	-	33,404
Bank loans	-	1,647
Trade creditors	15,658	3,803
Accruals and deferred income	20,548	15,183
Taxation and social security	18,040	15,101
Other creditors	-	-
	<u>54,246</u>	<u>35,734</u>

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

15. LEASE COMMITMENTS	2020	2019
Total future minimum lease payments under non-cancellable operating leases:	£	£
Within 1 year	30,301	18,791
Within 2 to 5 years	23,281	4,037
After more than 5 years	-	-
	<u>53,582</u>	<u>22,828</u>

16. TOTAL RESERVES	2020	2019
	£	£
	Unrestricted Funds	Restricted Funds
Opening Balance	378,896	42,019
Retained surplus / (deficit) for the year	48,457	(9,919)
Fund Transfers	-	-
Closing balance	<u>427,353</u>	<u>32,100</u>

17. RESTRICTED FUNDS	2020
	Opening Balance at 1 Apr '19
	£
Fund	£
Music & Arts Project Fund	18,633
VSD Fund	21,192
Sensory Footpath Fund	2,194
	<u>42,019</u>

	2020
	Movement in Funds
	Incoming Resources
	Outgoing Resources
	Fund Transfers
	Balance at 31 Mar '20
	£
Fund	£
Music & Arts Project Fund	15
VSD Fund	(5,396)
Sensory Footpath Fund	(2,468)
	<u>32,100</u>

	2019
	Opening Balance at 1 Apr '18
	£
Fund	£
Music & Arts Project Fund	20,735
VSD Fund	17,919
Sensory Footpath Fund	2,414
Disabled Toilet Fund	411
Autism Programme Fund	421
	<u>41,900</u>

	2019
	Movement in Funds
	Incoming Resources
	Outgoing Resources
	Fund Transfers
	Balance at 31 Mar '19
	£
Fund	£
Music & Arts Project Fund	280
VSD Fund	10,170
Sensory Footpath Fund	(220)
Disabled Toilet Fund	(788)
Autism Programme Fund	(433)
	<u>42,019</u>

Active Fund Descriptions	
Music & Arts Project Fund	Comprised of legacy donations for the establishment and ongoing provision of a Music Therapy service. Restrictions: 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) Restrictions: 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. Restrictions: 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 Restrictions: 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 Restrictions: can only be spent on the items outlined in the funding application

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18. UNRESTRICTED DESIGNATED FUNDS

Fund	2020				Balance at 31 Mar '20
	Balance at 1 Apr '19	Incoming Resources	Outgoing Resources	Fund Transfers	
	£	£	£	£	£
Barclay Viewforth Church Donations	1,138	-	(480)	-	658
Telfie Central	8,254	-	(3,345)	-	4,909
Paisley Drive	4,601	11,056	(6,546)	-	9,111
Beeches	19,266	4,900	(475)	-	23,691
Ash Lea	6,388	5,900	(708)	-	11,580
Oak View	1,247	-	(1,029)	-	218
Feel Good Fund	455	-	(353)	-	102
	41,349	21,856	(12,936)	-	50,269

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
	28,645	17,838	(4,744)	(389)	41,349

Purpose of designated funds	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.
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19. GOING CONCERN & POST-BALANCE SHEET EVENTS: COVID19

Subsequent to the year end the impact of the pandemic on the general economy and working environment has increased significantly. The potential effect on the finances and operational activities of the charity has been assessed by management and the Board, and steps have been taken to mitigate these risks as set out in more detail in the Directors' Annual Report. At this stage, while core care and support services income forecast in respect of 2020-21 has been confirmed, uncertainty remains in terms of this and other income for 2021-22, as well as related costs. The Directors are satisfied that confirmed funding and existing reserves, as well as mitigation measures available, provides reasonable assurance that the charity can continue to operate for at least 12 months from the approval of the financial statements.