

**LEUCHIE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**COMPANY REGISTRATION NO: SC392721**

**CHARITY NO: SC042249**

**WHITELAW WELLS**  
**Chartered Accountants**  
**9 Ainslie Place**  
**Edinburgh EH3 6AT**

**LEUCHIE**

**FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**

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# LEUCHIE

## REPORT OF THE TRUSTEES

**For the year ended 31 December 2019**

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the Charity for the year ending 31 December 2019 which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

### **Introduction from the Chair**

The annual reporting calendar creates something of an anomaly – we are looking back over a very successful year for Leuchie in 2019, at a time of an unprecedented global crisis caused by the Coronavirus pandemic in 2020. This raises many challenges for the whole country and on behalf of Leuchie, I would like to start this report by sending our best wishes for the good health and safety of all our guests, their carers and the team at Leuchie. The crisis has also highlighted the crucial role of carers in our society, which can only be a good thing for us all in the longer term.

Turning to our mission at Leuchie, there are more people with Multiple Sclerosis per head of population in Scotland than anywhere else in the world. In meeting a uniquely Scottish need, Leuchie has developed over the years to provide benefit to people with a range of neurological conditions by offering truly excellent short breaks with expert and in house healthcare. At the same time, we provide a vital break to carers, who can relax knowing that their loved ones are receiving the very best care and attention.

Our activity is rooted in the principles of person centred health and social care which Leuchie has championed and which underpin Scottish Government policy. In late 2018 we welcomed our new CEO, Mark Bevan, and we began a comprehensive internal review, leading to an unprecedented period of investment in our operating model, our practice, our building and our technology. This is already paying dividends by improving both our guest experience and our operating efficiency, lessons which we look forward to building on in the year ahead and sharing with the wider care community across Scotland.

It has been a privilege for me to take over from Sir David Tweedie as Chair of the Board of Trustees. I would take this opportunity to thank Sir David, all Board members past and present and the team at Leuchie for their commitment and energy in providing this wonderful service for our guests. I would particularly like to thank the management team for their excellent work during 2019 on improving the quality of care provided at Leuchie, as evidenced by the outstanding ratings achieved in our most recent inspection and as published by the Care Inspectorate in March 2020. The high standard of care offered at Leuchie sets us up well to weather the current storms caused by the Coronavirus crisis, despite all the challenges.

**Stephen Pearson**  
**Chair of the Board of Trustees**  
**Leuchie**  
**May 2020**

**REPORT OF THE TRUSTEES (cont)**

**For the year ended 31 December 2019**

**Introduction from the CEO**

Almost one in five of Scotland's unpaid carers has not had a day's break in five years. That is too much responsibility for anyone to bear. It impacts on family cohesion, working life and the health and wellbeing of the whole family. For many, the only option, that of a temporarily vacant bed in an older people's home, is not an acceptable option for their loved one and so instead they go without a much needed break.

Similarly, people with a neurological condition want to enjoy a stimulating and relaxing holiday but also with expert care which will maintain and improve their health and wellbeing; a temporarily vacant bed in an older people's home is no fit substitute.

That is why Leuchie exists: to provide our guests and their loved ones with the opportunity to experience expert health care and support, alongside an engaging activity programme in a relaxed countryside environment, but within 5 minutes of all of the amenities of North Berwick, which guests regularly enjoy. We are unique in Scotland in providing this particular blend of highly personalised, in-house and expert health and care service in a short break setting.

Joining Leuchie at the end of 2018 was a huge privilege. I have received the same warm welcome that guests receive and it has been a joy to be able to work with such a capable team, with the backing of the Board and very generous donors and volunteers.

This past year we have made significant investments in the ambitions which Leuchie has for its guests, its team and for the future of respite care in Scotland. This investment has been recognised by our regulator, the Care Inspectorate, when in March 2020 Leuchie was awarded the highest possible grade (6) for the care which we provide to guests.

Like all organisations, we have had to react to the Coronavirus. This has had a significant impact on our plans for 2020 but, in true Leuchie spirit, as we said goodbye to our regular guests the whole team galvanised around the creation of a new, interim service. From March 2020 Leuchie has supported the NHS by welcoming patients awaiting care at home packages, thus freeing up hospital beds for those affected by Coronavirus. We are keeping in touch with our more regular guests and look forward to welcoming them back before too long.

**Mark Bevan**  
**Chief Executive**  
**Leuchie**  
**May 2020**

# LEUCHIE

## REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2019

### OBJECTIVES AND ACTIVITIES

#### Purpose

The purposes of the company shall be wholly charitable. In particular, the purposes shall be:-

- a) To advance health by enhancing the quality of life of people affected by long term physical disability, including carers, through the provision and promotion of respite care or short term breaks for respite purposes, and the provision and promotion of knowledge and understanding of long term conditions and the available services, in order to improve care and support for people affected by long term conditions and their families and carers and otherwise generally to promote the advancement of health and quality of life amongst people within the United Kingdom; and
- b) To promote such similar charitable purposes, objects or institutions and in such proportions and manner as the Trustees shall think fit.

#### Aims and activities

Leuchie specialises in providing respite breaks for people with long-term neurological conditions, including for example Multiple Sclerosis, Parkinson's, Motor Neurone Disease and Stroke. This activity also supports carers, who are able to take a break from their caring role either at Leuchie or elsewhere, safe in the knowledge that their loved one is receiving excellent care.

Leuchie breaks offer a true holiday experience, choice and independence with expert care and support. Our mission is a simple one:

***"To enhance the lives of people with long term conditions, and their carers, through the provision of individualised breaks that improve their quality of life"***

#### Objectives

The following objectives were identified in 2019:

- Improve the quality of care as measured by the Care Inspectorate
- Improve financial sustainability
- Improve the environment and equipment for guests and staff

### ACHIEVEMENT AND PERFORMANCE

#### Charitable activities

Following the appointment of the new CEO in November 2018, the Management and Board took the opportunity to review Leuchie's operating model. Between January and April 2019 guest numbers were limited to create capacity for the review to be completed. As a result, in 2019 Leuchie offered fewer respite breaks (438) and generated lower fee income (£902,708) than in 2018. However, costs were lower and, including donations in the year, Leuchie generated a surplus of £564,938.

A portion of the donations received were sought for and restricted to investment in our environment, technology and care equipment. A further £200,000 was set aside for capital works in 2020. Unfortunately, the Coronavirus has had some impact on these plans and we are currently reviewing our priorities. As a result of the changes in the model and practices during 2019, Care Inspectorate grades were increased in March 2020 to the maximum award possible of grade 6 in all aspects of healthcare, with the environment being upgraded to grade 5.

In 2019 Leuchie invested £250k in significantly modernising the building and equipment to improve the guest and staff team experience. We have replaced boilers, refitted 3 bathrooms and converted most of the previously shared bedrooms to single rooms.

## REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2019

We have decorated the dining room and first floor lounge. We have brought in business speed broadband, introduced 100% wifi coverage, installed a new silent call system and moved from paper based care plans to plans which are held on smart phones, carried by all care and nursing colleagues.

These actions have improved guests' and colleagues' experience, reduced risks and lowered costs. As a consequence, we have been able to invest more time in our guests and team. We see this as an important part of our ongoing business continuity planning infrastructure as well as offering access to online training and flexible/home working for colleagues. This has served us well, for example in our response to the Coronavirus.

*Caring Well Within Our Means*, our plan for 2019 showed early signs of success, with a measurable improvement in quality of care, our financial sustainability and the quality of our environment and equipment. However, these are early days in our new operating model and the Board wished to continue the current plan into 2020, with incremental increases in the number of guests and respite nights. However, these plans are under review and subject to constraints imposed as a result of the Coronavirus crisis. We none the less remain focussed on the 3 priorities set in January 2019:

- Improve the quality of care as measured by the Care Inspectorate
- Improve financial viability and
- Invest in our environment and our infrastructure for our guests and our staff team

The wider staff team have been further engaged in considering how we might achieve our ambitions.

In 2020 we began to further modernise our décor, bedrooms, bathrooms, equipment and practice. We have improved our pre-placement assessment and will now support guests and their carers by reducing the administrative burden we place upon them. We will continue to concentrate on meeting the needs of people with a smaller group of conditions mainly MS, Parkinson's, MND and Stroke. These are the conditions which our team is most highly skilled to work with.

We will invest further in our staff team and in our aim to be the best employer in our sector and locality. We have plans to improve induction, training and staff reward. We have made investments in technology which we are now starting to use to increase guest independence, with both practical and mental health advantages. We look forward to developing our capabilities in this area significantly.

### Financial Support and Sustainability

The Trustees continue to work closely with the Trustees of the Leuchie Forever Fund, our sister charity, whose principal aim is to raise funds to support Leuchie to achieve its target of financial sustainability and to assist with the wider development of the Leuchie model through the provision of additional capacity.

Leuchie was well supported in 2019 by donors, generous benefactors, the wider community and the Scottish Government, receiving £1,652,489 in grants and donations, an increase of over £662,253 on 2018. We are very grateful to all who have supported Leuchie in 2019 and would like to acknowledge their contribution to enabling our work to take place. A number of significant donations were received during the year from those who prefer to remain private.

## LEUCHIE

### REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2019

Leuchie remains very grateful for the continued support of the Scottish Government and Parliament, which recognises Leuchie's unique contribution to the alleviation of the impact of neurological conditions on the individual, family, health and social care services and the wider economy.

This recognition is reflected in the form of a 5 year commitment of a grant of £300,000 per annum (to March 2023). This grant is supporting the Trustees in their continued aim to achieve financial sustainability of Leuchie in the medium to long term. The Scottish Government's commitment to supporting Leuchie does, in addition to reducing the financial risk, also strengthen other fundraising activities.

There are many others who enable Leuchie to deliver the service much needed by our guests and we take this opportunity to thank all donors and funders for their support, without which many people in Scotland could not continue to benefit from the vital services Leuchie provides to them.

Our commitment to delivering complex care through our highly skilled team and to being a Living Wage Employer remains unchanged. We acknowledge and thank all the staff at Leuchie for the incredible commitment, hard work and care shown by them in providing the service to guests; they are very special people. Our team includes an army of volunteers who are at the heart of the Leuchie community and without whom the guests could not enjoy all that they do. On behalf of the team and guests, our last word in this section is one of sincere thanks to our volunteers for their considerable efforts.

#### FINANCIAL AND OPERATING REVIEW

Leuchie operations produced a surplus for the year of £564,938 (2018 – a deficit of £33,603). Of this £72,430 is considered an underlying surplus in the general operations with £271,723 reflecting donations received in advance of capital expenditure of this amount in 2020 and advanced funding of £220,785. The total value of funds held at 31 December 2019 amounted to £731,541 (2018 - £166,603) comprising £299,500 (2018 - £92,971) of a restricted nature and £432,041 (2018: £73,632) of an unrestricted nature.

Our 2019 plan called for a year on year increase in fundraised income and we are pleased to report that during the year that this was achieved. We are continuing to invest in fundraising resource to grow this income, specifically targeting corporate and legacy sources in 2020.

The current Coronavirus restrictions will adversely impact on both our fundraising targets and plans for expansion in 2020. Our plans will need to be reviewed in light of emerging circumstances.

#### Principal funding sources

Leuchie receives funding from three main sources:

- fees from guests for use of the Leuchie service;
- voluntary donations and fundraising; and
- statutory funding.

#### Reserves policy

In the Trustees' view, reserves should provide the Charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. To achieve this a policy of six months net expenditure, c £500,000, has been calculated as an appropriate free reserve. Currently free reserves fall below this but the Trustees are exploring various options to increase free reserves.

# LEUCHIE

## REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2019

### Principal risks and uncertainties

Leuchie maintains a comprehensive Risk Register which is the principal tool for the management of risk. The Trustees and senior management team regularly monitor the key risks identified in the Risk Register and adjust where necessary.

There are general risks and challenges in meeting the demand for respite for the group of individuals for whom we care. In addition, as with the whole of the care sector across the UK, there is a shortage of those willing to take positions in both care and nursing, our largest two staffing groups.

The specific risks facing the charity are:

Coronavirus Impact – The Coronavirus, which occurred after the financial year end, will have significant adverse impact on Leuchie's operations and financial results for the current financial year and potentially beyond into 2021. The Trustees recognise that there will be a significant loss of guest fee income for a period of at least 6 months as a result of the 'Lockdown' in the UK along with a significant reduction in the anticipated Fundraising income over the same period. However, the Senior management Team, in conjunction with the Trustees have implemented immediate and considerable cost reductions throughout the organisation, including use of the government Job Retention Scheme where appropriate, to mitigate the reduction in income as far as possible. In addition, Leuchie has entered into a contract with NHS Lothian to deliver an entirely new service (within our charitable objects) during the Coronavirus crisis. As well as supporting the NHS, income from this contract will significantly mitigate the loss of guest fee income during this period and will continue to provide work for some of our staff.

The Trustees remain of the view that the actions taken by the charity, combined with the reserves available to it, will enable Leuchie to continue to operate as a going concern for the foreseeable future.

Financial – Leuchie operates within a robust set of financial controls. However, it operates in cyclical and potentially vulnerable markets which need constant monitoring. The Charity has made a significant advance in establishing reserve funds from 2020 and continues to operate so that financial risks are minimised where possible. It is anticipated that a consequence of the Coronavirus will be a draw-down of unrestricted reserves. It is increasingly the case that our guests' funding for a placement falls short of the cost of the placement at Leuchie. An ever larger proportion of the cost of care is being passed on by public authorities to individual guests, against an economic background of wage inflation, increased costs of equipment, food and other running costs due to the general and prevailing economic conditions. To offset these risks, management are working hard towards, and investing in increased capacity for fundraised income.

The Charity prepares a detailed annual budget, comprising monthly profit and loss accounts, balance sheet and cash flows. Performance is monitored and reviewed against the budget by budget holders and in monthly management meetings. During the year a Head of Finance post was added to the senior management team, strengthening the internal financial resources and reporting.

Operational – Leuchie works with a wide range of guests who have dynamically varying and complex health conditions. Meeting these needs involves many staff and volunteers. As a result, the organisation is faced with a large number of potential risks to manage which include appropriate staffing levels, health and safety and the welfare of all involved.

These risks are managed through a new senior management and nursing structure, an active programme of audits, reviews by senior staff and regular site visits from public authorities.



## LEUCHIE

### REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2019

We have increased induction training for all staff and volunteers, pre-admission reviews of guests' needs and the maintenance of high standards through adherence to clear and robust policies. Leuchie worked closely with public authorities in 2019 to improve care quality management and we have invested in systems which improve availability of critical information to our colleagues. Leuchie has developed a single plan which highlights quality improvement action and ensures its adherence to regulatory standards. Guests are arriving at Leuchie with ever more complex health care requirements and equipment. As medical advances are enabling people to live longer, there is a compound effect of ageing on top of any underlying condition.

Political - The focus in recent years of government policy on carers and on respite has led to some prioritisation of public monies toward these purposes. This is the case at national and at local government levels. With pressure on public finances likely to grow, it will remain important for Leuchie to operate a good quality service at a reasonable price and to maintain its moderate but insistent voice in the political landscape.

Reputational – Leuchie has a high profile across Scotland as the National Respite Centre for people with long term conditions. The Charity is well known and respected in health and social care services circles. As well as being a high profile charity in the local community Leuchie enjoys significant local support in terms of fundraising and volunteers. In addition, a large proportion of Leuchie's income, both from the use of its charitable services and fundraising activities, comes from members of the public. Reputational damage is therefore a critical risk for the charity. Because of this, Leuchie takes every opportunity to maintain its high standards of operational and financial management and to communicate regularly with stakeholders and supporters, portraying a positive image in the media through regular events, press releases and promotional materials and an active social media presence on Facebook and Twitter.

Leuchie has received strong public and donor support for its response to the Coronavirus.

#### PLANS FOR THE FUTURE

The Charity plans to provide a similar range of services and support for residents in 2020 although adapted due to the ongoing Coronavirus pandemic.

#### CORPORATE STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The Charity is controlled by its governing document, a deed of Trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The liability of each member in the event of winding up is limited to a £1.

The Board operates standing Sub Committees for Care Quality, Finance and Nominations. The terms of reference for these committees have been updated to best support the organisation to deliver its plans, in particular we have appointed a Board member to support the delivery team to support quality improvement.

##### Recruitment and appointment of new Trustees

The Board of Trustees has a Nominating Committee. The Committee and Board are reviewing their recruitment practice with the intention of demonstrating best practice in recruitment and appointment. The Charity operates a rotation policy in respect of Trustees. Movements in Trustees are shown on page 8.

## LEUCHIE

### REPORT OF THE TRUSTEES (cont)

**For the year ended 31 December 2019**

Our founding Chairman, Sir David Tweedie retired from the Board in October 2019. Sir David has helped steer the organisation from its fragile though enthusiastic beginnings to becoming a stable and effective organisation harnessing the deep commitment from its supporters and team. The Board wish to acknowledge the very significant contribution which Sir David has made to people affected by neurological conditions in Scotland.

The Board welcome Stephen Pearson into the role of Chair, following his role as a Trustee since 2014 and as Vice Chair in recent years.

#### **Induction and training of new Trustees**

On appointment new Trustees receive a Trustees Handbook, which covers all aspects of the Charity including Policies and Procedures, OSCR Guidance for Charity Trustees, the latest Care Inspectorate Report and Leuchie's organisation chart. In addition, the new Trustees meet with the Senior Management Team for an induction visit.

#### **Organisational structure**

The Board of Trustees considers the Chief Executive of the Charity and the six Senior Managers reporting to him to be responsible for directing and controlling, running and operating the Charity on a day to day basis, subject always to the supervision and approval of the Board. These key management personnel are the CEO, Head of Care, Head of Services and Facilities, Head of HR, Head of Quality Improvement, Head of Fundraising and Communications, Head of Finance and Quality Manager.

All Trustees give of their time freely and no Trustee received remuneration in the year.

#### **Key management remuneration**

Leuchie House staff, including all key management staff, are contractually entitled to an annual salary review. The salary review looks at equivalent marketplace salaries for each role within Leuchie and assesses where Leuchie staff are against the marketplace average and whether any adjustments to salaries for specific roles are warranted. Where particular roles may be difficult to recruit for due to locality or required skillsets, this may also be a factor influencing increases to salary.

# LEUCHIE

## REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2019

### REFERENCE AND ADMINISTRATIVE DETAILS

<b>Charity Name</b>	Leuchie (also known as "Leuchie House")	
<b>Charity Number</b>	SC042249	
<b>Company Number</b>	SC392721	
<b>Patrons</b>	Gavin Hastings Mairi O'Keefe MBE	
<b>Trustees</b>	Stephen Pearson	Chair
	Sir David Tweedie	Chair (resigned 29 October 2019)
	Kevin Woods	Vice Chair
	Rhona Brankin	
	Ann Butterfield	(resigned 22 February 2020)
	Jacquelyn Chaplin	
	Gordon Davies	
	Stephen Dean	
	Mark Hazelwood	(resigned 10 January 2019)
	Richard Meade	(appointed 10 January 2019)
	Keith Murdoch	
	Sophie Tulloch	
	David Ogilvie	
<b>Company Secretary</b>	Heather Kilfara	
<b>Key Management Personnel</b>	Mark Bevan (Chief Executive) Lana Bambridge (Head of Fundraising and Communications) (appointed January 2020) Nicola Collins (Head of Services) Elizabeth Eckles (Head of Finance) Rebecca Everett (Quality Improvement Manager) Emma Jenson (Head of Care) (appointed May 2019) Ross MacNab (Head of Human Resources) Carolyn Roulstone (Head of Fundraising) (resigned April 2019)	
<b>Registered Office and Operational Address</b>	Leuchie House North Berwick, East Lothian EH39 5NT	
<b>Senior Statutory Auditor</b>	Kevin Cattnach	
<b>Independent Auditors</b>	Whitelaw Wells 9 Ainslie Place Edinburgh EH3 6AT	
<b>Bankers</b>	Royal Bank of Scotland 32 Court Street, Haddington EH41 3NS	

**REPORT OF THE TRUSTEES (cont)**

**For the year ended 31 December 2019**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

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

Company law requires the Charity Trustees to prepare financial statements for each 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 that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees 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.

**Statement as to disclosure of information to auditors**

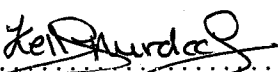
So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting.

The report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 11 May 2020 and signed on its behalf by:-

.....  
  
Keith Murdoch, Trustee

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Opinion**

We have audited the financial statements of Leuchie for the year ended 31 December 2019, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of 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 requirements of 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 Auditors' 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 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 trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

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

We have nothing to report in respect of the following matters in relation to which the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Use of our report**

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



**Kevin Cattnach**

**Senior Statutory Auditor**

**for and on behalf of Whitelaw Wells, Statutory Auditor**

**Whitelaw Wells is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006**

**9 Ainslie Place**

**Edinburgh EH3 6AT**

**11 May 2020**

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STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 December 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Income and Endowments from:</b>					
<i>Donations and legacies</i>					
Grants and donations	2	986,592	665,527	1,652,119	989,866
Legacies	2	370	-	370	-
<i>Charitable activities</i>					
Short break care	4	936,062	-	936,062	1,025,605
Other trading activities	5	201,067	-	201,067	118,764
Investment income		779	-	779	36
Other income – renewable heat incentive		21,191	-	21,191	22,656
<b>Total</b>		<b>2,146,061</b>	<b>665,527</b>	<b>2,811,588</b>	<b>2,156,927</b>
<b>Expenditure on:</b>					
<i>Raising funds</i>		135,002	-	135,002	135,125
<i>Charitable activities</i>		1,706,829	404,819	2,111,648	2,055,405
<b>Total</b>	6	<b>1,841,831</b>	<b>404,819</b>	<b>2,246,650</b>	<b>2,190,530</b>
<b>Net Income/(Expenditure)</b>	7	<b>304,230</b>	<b>260,708</b>	<b>564,938</b>	<b>(33,603)</b>
Transfer between funds	14	54,179	(54,179)	-	-
<b>Net movement in funds</b>		<b>358,409</b>	<b>206,529</b>	<b>564,938</b>	<b>(33,603)</b>
<b>Reconciliation of Funds</b>					
Total Funds Brought Forward		73,632	92,971	166,603	200,206
<b>Total Funds Carried Forward</b>		<b>432,041</b>	<b>299,500</b>	<b>731,541</b>	<b>166,603</b>

The results for the year derive from continuing activities.  
There are no gains or losses other than those shown above.  
The notes on pages 17 – 28 form part of these financial statements.



LEUCHIE

BALANCE SHEET

As at 31 December 2019

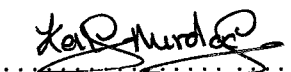
	Note	£	2019 £	2018 £
<b>Fixed Assets</b>				
Tangible assets	10		153,952	146,527
<b>Current Assets</b>				
Debtors	11	344,321		116,933
Cash at bank and in hand		429,635		100,933
			<hr/>	<hr/>
		773,956		217,866
<b>Creditors: Amounts falling due within one year</b>	12	(196,367)		(197,790)
			<hr/>	<hr/>
<b>Net Current Assets</b>			577,589	20,076
			<hr/>	<hr/>
<b>Net Assets</b>			731,541	166,603
			<hr/>	<hr/>
<b>Funds</b>	14			
Unrestricted funds			432,041	73,632
Restricted funds			299,500	92,971
			<hr/>	<hr/>
<b>Total Funds</b>			731,541	166,603
			<hr/>	<hr/>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved by the Board of Trustees on 11 May 2020 and were signed on its behalf by:



Stephen Pearson  
Trustee



Keith Murdoch  
Trustee

Company Registration No: SC392721

The notes on pages 17 - 28 form part of these financial statements.

**LEUCHIE**

**CASH FLOW STATEMENT**

**As at 31 December 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	403,825	25,918
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Interest received		779	36
Purchase of property, plant and equipment		(75,902)	(87,332)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(75,123)	(87,296)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		328,702	(61,378)
Cash and cash equivalents at the beginning of the year		100,933	162,311
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	18	429,635	100,933
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 - 28 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

**1. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**Basis of preparing the financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Leuchie meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Preparation of the accounts on a going concern basis**

The charity reported a net cash inflow of £328,702 in the year and an increase in total funds of £564,938 to £731,541 including advanced unrestricted funding of £220,785. The Trustees have prepared cash flow projections for the twenty four months to December 2021 and these indicate that the charity should be in a position to honour debts and obligations as they arise, assuming that grant income is received in a timely manner. The Trustees are continuing to work hard to secure a stable funding position for the Charity and work towards the stated aim of holding six month's net operating expenditure in reserves, currently c. £500K. During the previous year the Scottish Government confirmed their commitment to provide five year funding support, subject to certain conditions being met, of £300,000 per annum upto March 2023. Additionally, the Trustees of the Leuchie Forever Fund have indicated they will continue to support the charitable company, the Trustees continue to adopt the going concern basis of accounting.

**Income**

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacies are included in full in the Statement of Financial Activities when receivable. Income from activities for generating funds is recognised as earned, as the related services are provided.
- Investment income is included when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Income from service level agreements, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Income is only deferred where entitlement conditions have not been met or related services have not been provided as at the year end.
- The Charity is grateful for volunteers and donations-in-kind, which are not recognised in the accounts as the benefit to the Charity cannot be reasonably quantified.

**NOTES TO THE FINANCIAL STATEMENTS (cont)****For the year ended 31 December 2019****1. Accounting Policies (cont)****Expenditure and irrecoverable VAT**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the direct costs of fundraising activities together with associated support costs.
- Expenditure on charitable activities includes the costs of providing all aspects of the activities undertaken to further the purposes of the Charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**Allocation of support costs**

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, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the accounts.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Plant and machinery	20% straight line
Fixtures and fittings	25% straight line
Computer equipment	33.33% straight line
Leasehold improvements	20% straight line

Items of equipment are capitalised where the purchase price exceeds £750.

**Taxation**

The Charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds. These are the funds set aside by the Trustees out of unrestricted general funds for future purposes or projects.

## NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

## 1. Accounting Policies (cont)

**Fund accounting (cont)**

Restricted funds 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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Income from Grants and Donations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Donations	607,898	494,323	1,102,221	453,049
Gift Aid	28,964	-	28,964	37,056
Grants (note 3)	349,730	171,204	520,934	499,761
Legacies	370	-	370	-
	<hr/>	<hr/>	<hr/>	<hr/>
	986,962	665,527	1,652,489	989,866
	<hr/>	<hr/>	<hr/>	<hr/>

Income from donations was £1,652,489 (2018: £989,866) of which £986,962 (2018: £823,550) was unrestricted and £665,527 (2018: £166,316) was restricted.

## NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

3. Grants	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
The Scottish Government	300,000	-	300,000	312,500
The Robertson Trust	-	78,000	78,000	25,000
The R S Macdonald Charitable Trust	-	12,600	12,600	25,065
Barcapel Foundations	-	-	-	5,000
Foundation Scotland	5,000	-	5,000	-
G C Gibson Charitable Trust	10,000	-	10,000	10,000
Christina Mary Hendrie Trust	-	5,000	5,000	-
The Hugh Fraser Foundation	-	10,000	10,000	-
The Oldhurst Trust	-	5,000	5,000	-
The Martin Charitable Trust	-	5,000	5,000	3,000
Anton Jurgens Charitable Trust	-	-	-	5,600
Crerar Hotel Trust	-	-	-	24,651
Miss Margaret Butters Reekie Charitable Trust	-	5,000	5,000	3,000
Alastair and Margaret Miller Charitable Trust	5,000	-	5,000	5,000
Merchants House of Glasgow	-	-	-	5,000
Schuh Trust	-	-	-	6,000
Derek Stewart Charitable Trust	-	5,000	5,000	5,000
Batchworth Trust	-	5,000	5,000	-
Souter Charitable Trust	-	2,000	2,000	5,000
Clothworkers' Foundation	-	14,000	14,000	-
Mrs Robinson Charitable Trust	7,000	-	7,000	-
Percy Bilton Charity	-	6,497	6,497	-
Other grants (individually less than £5,000)	22,730	18,107	40,837	59,945
	<hr/>	<hr/>	<hr/>	<hr/>
	349,730	171,204	520,934	499,761
	<hr/>	<hr/>	<hr/>	<hr/>

## 4. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Short break care:				
Fees	902,708	-	902,708	984,350
Expenses recharged to guests	14,970	-	14,970	19,946
Staff meal income	2,134	-	2,134	3,304
Carers fees	16,250	-	16,250	18,005
	<hr/>	<hr/>	<hr/>	<hr/>
	936,062	-	936,062	1,025,605
	<hr/>	<hr/>	<hr/>	<hr/>

Income from charitable activities was £936,062 (2018: £1,025,605) of which £936,062 (2018: £1,025,605) was unrestricted and £nil (2018: £nil) was restricted.

## NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

## 5. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Fundraising events	192,300	-	192,300	111,333
Residents shop income & other sales	8,767	-	8,767	7,431
	<u>201,067</u>	<u>-</u>	<u>201,067</u>	<u>118,764</u>

Income from charitable activities was £201,067 (2018: £118,764) of which £201,067 (2018: £118,764) was unrestricted and £nil (2018: £Nil) was restricted.

## 6. Expenditure

	Raising Funds £	Short Break Care £	Total Funds 2019 £	Total Funds 2018 £
<i>Direct costs</i>				
Staff costs	83,708	1,076,413	1,160,121	1,247,011
Other overheads	51,294	125,086	176,380	170,170
<i>Support costs</i>				
Staff costs	-	377,658	377,658	410,117
Finance costs	-	6,249	6,249	6,041
Property costs	-	299,296	299,296	145,674
Other overheads	-	151,749	151,749	144,557
Depreciation	-	68,477	68,477	60,330
<i>Governance costs</i>				
Auditor fees	-	6,720	6,720	6,630
	<u>135,002</u>	<u>2,111,648</u>	<u>2,246,650</u>	<u>2,190,530</u>

Expenditure was £2,246,650 (2018: £2,190,530) of which £1,841,831 (2018: £2,026,906) was unrestricted and £404,819 (2018: £163,624) was restricted.

Further analysis of the charitable activities is not provided as the Trustees believe the Charity only has one main activity. Cost of Raising Funds is allocated on the basis of staff time.

## NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

**7. Net income/(expenditure) for the year**

This is stated after charging:

	2019	2018
	£	£
Auditor's remuneration – audit fees	6,600	6,660
Auditor's remuneration – tax compliance fees	120	(30)
Auditor's remuneration – payroll fees	5,280	5,160
Depreciation – owned assets	68,477	60,330
Hire of plant and machinery	2,406	537
Other operating leases – service charge	21,806	21,806
	<u>          </u>	<u>          </u>

**8. Trustees' Remuneration and Benefits**

There was no Trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

**Trustees' expenses**

No Trustee was reimbursed expenses in the year (2018: no Trustees).

**Donations from Trustees**

During the year, Trustees donated a total of £1,433 (2018: £4,568) to the Charity.

**9. Staff Costs**

	2019	2018
	£	£
Wages and salaries	1,387,491	1,428,850
Agency staff	29,600	116,803
Social security costs	91,417	88,608
Other pension costs	29,270	22,868
	<u>          </u>	<u>          </u>
	1,537,778	1,657,129
	<u>          </u>	<u>          </u>

One employee received emoluments between £70,000 and £80,000 in the current year (2018: one employee received emoluments between £60,000 and £70,000).

In the previous year an employee tribunal case took place in which a settlement payment was agreed totalling £2,500.

**Key management personnel remuneration**

The key management personnel are considered to be the Trustees and the Chief Executive, Head of Care, Head of Services, Head of HR, Head of Finance, Head of Fundraising and Communications and Quality Improvement Manager. The total of key management remuneration was £260,626 (2018: £176,529).



## NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

## 9. Staff Costs (cont)

The average monthly number of employees during the year was as follows:-

	2019 Number	2018 Number
Senior management	6	3
Administration and support	6	8
Service providers	73	78
	<hr/>	<hr/>
	85	89
	<hr/>	<hr/>

## 10. Tangible Fixed Assets

	Improvements to Property £	Plant & Machinery £	Fixtures & Fittings £	Computer Equipment £	Totals £
<b>Cost</b>					
At 1 January 2019	136,355	140,906	18,662	79,521	375,444
Additions	-	21,018	-	54,884	75,902
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	136,355	161,924	18,662	134,405	451,346
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 January 2019	86,467	49,267	18,630	74,553	228,917
Charge for year	23,820	28,556	18	16,083	68,477
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	110,287	77,823	18,648	90,636	297,394
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>					
At 31 December 2019	26,068	84,101	14	43,769	153,952
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	49,888	91,639	32	4,968	146,527
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

## 11. Debtors: amounts falling due within one year

	2019 £	2018 £
Trade debtors	73,653	93,146
Other debtors	-	4,017
Prepayments and accrued income	270,668	19,770
	<u>344,321</u>	<u>116,933</u>

## 12. Creditors: amounts falling due within one year

	2019 £	2018 £
Other loans	5,000	7,300
Trade creditors	87,722	90,568
Social Security and other taxes	26,056	29,100
Other creditors	2,960	5,800
Accruals and deferred income	68,392	60,626
Pension	6,237	4,396
	<u>196,367</u>	<u>197,790</u>

Included within accruals and deferred income is deferred income which comprises:

	£
Brought forward	35,980
Released to income in the year	(35,980)
Deferred in year	<u>28,625</u>
Carried forward	<u>28,625</u>

Deferred income consists of receipts in advance for short breaks of £28,625 (2018: £35,980).

Other loans are interest free and repayable within the next twelve months.

## NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

## 13. Operating Lease Commitments

Minimum lease payments under non-cancellable leases fall due as follows:-

	Equipment 2019 £	Property 2019 £	Equipment 2018 £	Property 2018 £
Within one year	1,431	21,806	1,893	21,806
Between one and five years	-	87,224	1,386	87,224
In more than five years	-	33,456	-	55,262
	<u>1,431</u>	<u>142,486</u>	<u>3,279</u>	<u>164,292</u>

## 14. Funds

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>					
General Fund	(47,517)	2,146,061	(1,785,396)	(7,282)	305,866
<b>Designated Funds</b>					
Fixed assets	121,149	-	(56,435)	61,461	126,175
	<u>73,632</u>	<u>2,146,061</u>	<u>(1,841,831)</u>	<u>54,179</u>	<u>432,041</u>
<b>Restricted funds</b>					
Fixed assets	52,734	48,120	(29,638)	(5,035)	66,181
Staff costs	17,882	112,907	(121,018)	3,856	13,627
Redevelopment	-	493,500	(227,433)	(53,000)	213,067
Other restricted funds	22,355	11,000	(26,730)	-	6,625
	<u>92,971</u>	<u>665,527</u>	<u>(404,819)</u>	<u>(54,179)</u>	<u>299,500</u>
<b>Total Funds</b>	<u>166,603</u>	<u>2,811,588</u>	<u>(2,246,650)</u>	<u>-</u>	<u>731,541</u>

The above funds at the end of the year represent:-

**Purposes of Designated Funds****Fixed asset**

A designated fund has been set up to represent the balance of unrestricted fixed assets to which depreciation will be charged.

## NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

## 14. Funds (cont)

**Restricted Fixed assets:** the net book value of fixed assets purchased with restricted donations. Transfers represent funds used to assist in the purchase of assets in the year.

**Staff costs:** funds received towards specific staff costs.

**Redevelopment fund:** this represents funds from Leuchie Forever Fund, The Robertson Trust and other funders towards the ongoing modernisation and redevelopment of the centre and IT Infrastructure. Transfers represent spend on the purchase of fixed assets.

**Other restricted funds:** These represent various donations made to the Charity for various restricted purposes (other than the funds above). The Charity maintains a detailed register of the donations including their purpose and use of the funds.

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>					
General Fund	27,648	1,990,611	(1,981,747)	(84,029)	(47,517)
<b>Designated Funds</b>					
Fixed assets	86,017	-	(45,159)	80,291	121,149
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	113,665	1,990,611	(2,026,906)	(3,738)	73,632
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>					
Fixed assets	56,089	24,650	(31,683)	3,678	52,734
Staff costs	26,774	101,966	(110,918)	60	17,882
Other restricted funds	3,678	39,700	(21,023)	-	22,355
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	86,541	166,316	(163,624)	3,738	92,971
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Funds</b>	<hr/> 200,206	<hr/> 2,156,927	<hr/> (2,190,530)	<hr/> -	<hr/> 166,603

## 15. Pension Commitments

During the year the Charity operate personal pension plans for all employees. The charge for the year was £29,270 (2018: £22,868) of which £6,237 (2018: £4,396) was outstanding at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

16. Analysis of Net Assets Between Funds

Analysis for 2019	Unrestricted £	Restricted £	Total Funds £
Tangible fixed assets	126,175	27,777	153,952
Current assets	502,233	271,723	773,956
Current liabilities	(196,367)	-	(196,367)
	<hr/>	<hr/>	<hr/>
	432,041	299,500	731,541
	<hr/>	<hr/>	<hr/>

Analysis for 2018	Unrestricted £	Restricted £	Total Funds £
Tangible fixed assets	121,149	25,378	146,527
Current assets	150,273	67,593	217,866
Current liabilities	(197,790)	-	(197,790)
	<hr/>	<hr/>	<hr/>
	73,632	92,971	166,603
	<hr/>	<hr/>	<hr/>

17. Cashflow from Operating Activities

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	564,938	(33,603)
Adjustments for:		
Depreciation charges	68,477	60,330
Interest received	(779)	(36)
(Increase)/decrease in debtors	(227,388)	(10,322)
(Decrease)/increase in creditors	(1,423)	9,549
	<hr/>	<hr/>
Net cash provided by operating activities	403,825	25,918
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2019

**18. Analysis of cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash in hand	2,480	569
Instant access bank deposits	427,155	100,364
	<hr/>	<hr/>
Total cash and cash equivalents	429,635	100,933
	<hr/>	<hr/>

**19. Capital commitment**

As at the year end the charity had no capital commitments.

**20. Related party disclosure**

Transactions relating to related parties are disclosed in Note 8.

Additionally, donations totalling £587,000 (2018: £75,000) was receivable from the Leuchie Forever Fund a charity in which there was one common Trustee. At the year end £200,000 (2018: £Nil) was still outstanding.