

**LEUCHIE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 2022**

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# LEUCHIE

## REPORT OF THE TRUSTEES

### For the year ended 31 December 2022

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the Charity for the year ending 31 December 2022 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 and Chief Executive

Despite hopes, 2022 was not the year in which those involved in health and social care emerged from the impact of the pandemic. COVID, the increase in Cost of Living and strain in the NHS and Social Care in our communities impacted significantly on the lives of people affected by Neurological conditions in Scotland in 2022. For some families caring for a loved one, it was the most challenging year ever. That number of such families is growing in Scotland, at a time in which the rationing of health and social care services is impacting individuals and health and budgets are becoming constrained. Hope is a commodity which is decreasing with time.

Leuchie therefore welcomed the intent of the Scottish Government, through the National Care Service, to legislate for the first time to give a right to a short break from the emotional and physical responsibilities of caring for a family member. This in recognition that, without a break, many would not be able to carry on.

At Leuchie hope and optimism for the future remains strong. In 2022 we were glad to welcome more guests than in either of the previous 2 years and to provide breaks to more first-time guests than ever before as we made a concerted effort to extend our reach. In January 2023 bookings for a break in the year ahead at Leuchie are already higher than in any year since 2019, such is the level of demand.

It has been a year in which the necessity of innovation through the peak of the pandemic crystallised into a new intent and ambition, to reach beyond the walls and do more for more people. We realised there were new ways to deliver our purpose and what HRH, Princess Anne, our Patron, who visited in the summer, called 'the magic' of Leuchie.

We went beyond the walls in the following ways:

- We opened a purpose built and highly equipped self-catering house to enable families to take a break together.
- We began a new Leuchie@Home service, providing dependable breaks for family carers in their own home 2 hours a week, every week.
- Our technology offer matured and an enabling technology assessment is now available to all guests.
- Our partnership with the National Robotarium has grown to incorporate national research into early detection of urinary infection and the trialling of predictive falls sensor technology.

We have reflected on the learning from the last few years and we are developing a new strategy based on a new ambition. In the year ahead we will begin to implement that strategy. We have re-structured the team around the intent and in early 2023 we will review the governance framework we need to succeed.

## LEUCHIE

### REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2022

#### Introduction from the Chair and Chief Executive (cont)

Delivering the service with significantly reduced income has been challenging. The generosity of our supporters has enabled us to meet significantly increased needs of guests, whose health has generally deteriorated faster than in any previous year. This has resulted in higher cost of care and the use of reserves to support delivery.

Throughout the year we have been supported by our colleagues in Scottish Government, the Health and Social Care Partnership, donors and the local community. Along with the staff team who have been magnificent. All of our supporters deserve much greater thanks than we can commit to these pages.

Finally, most guests who come to Leuchie stay in touch and return. It is from them that we draw the greatest strength and support and to them that we owe the greatest thanks, because they continue to give us purpose, the strength to carry on and, crucially, their friendship.

**Stephen Pearson**  
**Chair of the Board of Trustees - Leuchie**

**Mark Bevan**  
**Chief Executive- Leuchie**

#### 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 2022:

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

## LEUCHIE

### REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2022

#### Charitable activities

Leuchie welcomed increased guest numbers compared with 2020 and 2021 and is particularly pleased to have welcomed a higher number of first-time guests than in recent years, with early indication of very high demand for 2023.

We have expanded the ways in which we deliver our purpose, offering respite within people's own homes on a weekly basis for up to 2 hours in partnership with our host local authority. The learning from this model will inform others and our own development of services.

Many families want to have a break together but a lack of suitable accommodation or setting prevents this. Typically for people with less complex health care requirements than Leuchie's regular guests, Denis Duncan house in nearby Dirleton is purpose built and highly equipped. We are pleased to bring self-catering breaks to families under the Leuchie name in this new service. We offer our thanks to the Lin Berwick Trust for donating the house to Leuchie for this purpose.

We have matured our technology offering and equipped all bedrooms with SMART technology and devices as well as developing a demonstration kitchen. This enables guests to see the art of the possible and to learn how relatively cheap, off the shelf technology can be adapted to give them and their family carers more independence.

Guests had highlighted to us in 2021 the importance to them of access to outdoor space. Many guests have moved to flats and do not have this ready access at home. Accordingly, we are grateful to supporters who enabled us to build an all weather pathway, giving guests access all around the house and into the adjacent woodland.

Enabling independence is central to our model of care and support and we were delighted to install an additional lift, giving many guests the opportunity for the first time to move between floors independently of the care team, who were required to operate the original lift, which remains in place.

#### Financial Support and Sustainability

The gap between fee income and costs continues to be supported strongly. We are very grateful to The Scottish Government, for committing to extend its financial support beyond the original 5 year term.

The return to in person fundraising supported strong performance despite what became an increasingly challenging year for many donors.

Our sister charity, Leuchie Forever, whose principal aim is to raise funds and to assist with the wider development of the Leuchie model through the provision of additional capacity saw significant change. The LFF interim Chair retired in 2022 and a new Chair and Trustees have been quick to begin pro-active fundraising, holding an excellent new calendar event, raising a new source of significant and regular funding and with plans to grow the philanthropic network through the business community. We thank our LFF colleagues for their considerable support.

Leuchie was also well supported in 2022 by donors, generous benefactors, the wider community and the Scottish Government, receiving £1,018,608 grants and donations. We are very grateful to all who have supported Leuchie 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 2022

#### Financial Support and Sustainability (cont)

Our commitment to delivering complex care through our highly skilled team and to being a Living Wage Employer remains unchanged. We made additional payments to the team in the year in recognition of the impact of cost of living rises. In addition, we developed a range of non-pay rewards, career progression routes and training and development opportunities. We are grateful for the 92% long term retention reflecting the team's loyalty to the guests and purpose.

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 we were able to begin to welcome back. Volunteers are at the heart of the Leuchie community and without them 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 deficit for the year of £461,579 (2021 – a surplus of £405,306). The year on year movement from surplus to deficit relates to the timing in transfer of funds from the Leuchie Forever Fund. The change is not related to the underlying operational performance of the organisation. The total value of funds held at 31 December 2022 amounted to £665,829 (2021 - £1,127,408) comprising £74,829 (2021 - £129,789) of a restricted nature and £591,000 (2021 - £997,619) of an unrestricted nature.

#### Principal funding sources

Leuchie receives funding from three main sources:

- fees from guests and the NHS 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 £500,000, has been calculated as an appropriate free reserve, which in combining LFF and LH free reserves was surpassed at the year end.

#### 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.

In the context of COVID the organisation moved to hold more frequent, ad hoc and sub group meetings of the Board to support our capacity to make strategic decisions in a tactical timeframe, as was required.

## LEUCHIE

### REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2022

#### Principal risks and uncertainties (cont)

The specific risks facing the charity are:

Labour Market – shortages in labour supply are beginning to hold back Leuchie’s ambitions to optimise occupancy. Significant work has been under way to ensure that Leuchie is and is known to be an excellent employer with above market terms and conditions. We are working with the local school and university to develop creative ways to attract and with the team to develop creative ways to retain the very best team. We are pleased in early 2023 to be recognised in the form of case studies which will be a part of the government national care recruitment campaign.

Income – we have reviewed costs and determined these to be appropriate. We recognise that increasing fee income is dependent upon increasing staffing. In addition we see the ambition to reach beyond the walls as a means of demonstrating our national value and attracting new sources of statutory, grant and trust and Philanthropic income.

The development of LFF as a route to access corporate/ founder philanthropy and early success in attracting multiple year donations of significant size are encouraging indications of our income strategy delivering results.

Re-structuring of the leadership team and a new strategy are possible and important mitigations against multiple risks as we emerge from the uncertainties of the pandemic.

Finally, as we begin to imagine a different future we are undertaking a review of our governance arrangements to ensure we have the capabilities we require to deliver our emerging strategy in 2023

The Trustees remain of the view that the actions taken by the charity, combined with the highest ever level of 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 and continues to operate so that financial risks are minimised where possible. It is anticipated that a consequence of 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 and to be more creative in generating income as described in this report

#### PLANS FOR THE FUTURE

The Charity plans to provide a broader range of similar services and support in 2023. We are diversifying and expanding. We will offer more service to more guests in house, provide respite in people’s own homes and growing our self catering offer.

## LEUCHIE

### REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2022

#### CORPORATE STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

Leuchie was incorporated on 2 February 2011. The company is a charitable company limited by guarantee with no share capital. The company's purposes and powers are prescribed by, and it is governed in accordance with, its Memorandum and Articles of Association. 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. The Board has committed to a governance review in Q1 of 2023 to ensure it has the capabilities it requires to meet the ambitions it has set itself.

##### 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 7.

##### 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 three 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, Director of Care and Health, Director of Finance and Resources and Director of Income, Fundraising and Communications.

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 2022

### 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 OBE Mairi O'Keefe MBE	
<b>Trustees</b>	Stephen Pearson Kevin Woods Jacquelyn Chaplin Gordon Davies Stephen Dean Richard Meade Suzanne Gush Maria Duffy Shona Bell Scott Weddell	Chair (Resigned 26 January 2023) (Resigned 26 January 2023)  (Retired 26 January 2023)     (Appointed 26 January 2023)
<b>Company Secretary</b>	Heather Kilfara	
<b>Key Management Personnel</b>	Mark Bevan Lana Bambridge  Emma Jenson Adam Dearnley	Chief Executive Director of Income, Fundraising and Communications Director of Care and Health Director of Finance Resources
<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	

# LEUCHIE

## REPORT OF THE TRUSTEES (cont)

For the year ended 31 December 2022

### 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 10 August 2023 and signed on its behalf by:-

  
.....  
Suzanne Gush, Trustee

## LEUCHIE

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

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### **Opinion**

We have audited the financial statements of Leuchie for the year ended 31 December 2022, 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 2022 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**

In auditing the financial statements, we have concluded that the trustees' (who are also the directors of the company for company law purposes) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 contained within the annual report. 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. 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 themselves. 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.

**Opinions on 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, prepared for the purposes of company law and included in the report of the trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included with the report of the trustees, has been prepared in accordance with applicable legal requirements.

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

In 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, included in the report of the trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, 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:

- adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report, included within report of the trustees, and from the requirement to prepare a strategic report.

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

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 under the Companies Act 2006 and report in accordance with the Acts 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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 auditor's report.

**LEUCHIE**

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

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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**

**10 August 2023**

LEUCHIE

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 December 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
<b>Income and Endowments from:</b>					
<i>Donations and legacies</i>					
Grants and donations	2	768,750	249,858	1,018,608	1,995,629
Legacies	2	19,162	-	19,162	12,991
<i>Charitable activities</i>					
Short break care	3	827,134	-	827,134	660,584
Other trading activities	4	121,010	-	121,010	238,738
Investment income		1,489	-	1,489	78
<i>Other income</i>					
renewable heat incentive		20,732	-	20,732	16,760
Sale of fixed asset		-	-	-	300
<b>Total</b>		<b>1,758,277</b>	<b>249,858</b>	<b>2,008,135</b>	<b>2,925,080</b>
<b>Expenditure on:</b>					
Raising funds		187,751	-	187,751	225,352
Charitable activities		1,983,835	298,128	2,281,963	2,294,422
<b>Total</b>	6	<b>2,171,586</b>	<b>298,128</b>	<b>2,469,714</b>	<b>2,519,774</b>
<b>Net (Expenditure)/income</b>	7	<b>(413,309)</b>	<b>(48,270)</b>	<b>(461,579)</b>	<b>405,306</b>
Transfer between funds	14	6,690	(6,690)	-	-
<b>Net movement in funds</b>		<b>(406,619)</b>	<b>(54,960)</b>	<b>(461,579)</b>	<b>405,306</b>
<b>Reconciliation of Funds</b>					
Total Funds Brought Forward		997,619	129,789	1,127,408	722,102
<b>Total Funds Carried Forward</b>		<b>591,000</b>	<b>74,829</b>	<b>665,829</b>	<b>1,127,408</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 16 – 28 form part of these financial statements.

LEUCHIE

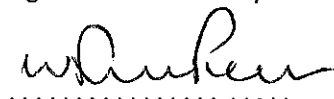
BALANCE SHEET

As at 31 December 2022

	Note	£	2022 £	2021 £
<b>Fixed Assets</b>				
Tangible assets	10		90,932	133,344
<b>Current Assets</b>				
Debtors	11	170,967		224,316
Cash at bank and in hand		629,665		950,569
			<hr/>	<hr/>
		800,632		1,174,885
<b>Creditors: Amounts falling due within one year</b>	12	(225,735)		(180,821)
			<hr/>	<hr/>
<b>Net Current Assets</b>			574,897	994,064
			<hr/>	<hr/>
<b>Net Assets</b>			665,829	1,127,408
			<hr/>	<hr/>
<b>Funds</b>	14			
Unrestricted funds			591,000	997,619
Restricted funds			74,829	129,789
			<hr/>	<hr/>
<b>Total Funds</b>			665,829	1,127,408
			<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 10 August 2023 and were signed on its behalf by:



Stephen Pearson  
Trustee



Suzanne Gush  
Trustee

Company Registration No: SC392721

The notes on pages 16 - 28 form part of these financial statements.



**LEUCHIE**

**CASH FLOW STATEMENT**

**As at 31 December 2022**

	<b>Notes</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	(310,581)	424,040
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Interest received		1,489	78
Proceeds from sale of assets		-	300
Purchase of property, plant and equipment		(11,812)	(70,844)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(10,323)	(70,466)
		<hr/>	<hr/>
 Change in cash and cash equivalents in the reporting period		 (320,904)	 353,574
Cash and cash equivalents at the beginning of the year		950,569	596,995
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	18	629,665	950,569
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 - 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

**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 Trustees continue to adopt the going concern basis of accounting.

The charity reported a net deficit of £461,579 in the year and an decrease in total funds from £1,127,408 to £665,829. The Trustees have prepared cash flow projections for the twenty four months to December 2025 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 and with success to secure a stable funding position for the Charity. This includes working towards the stated aim of holding six month's net operating expenditure in reserves, currently c. £500K, which has been achieved.

Previously the Scottish Government confirmed their commitment to provide five-year funding support, subject to certain conditions being met, of £300,000 per annum up to March 2023. The Trustees are grateful for the Scottish Government's recognition of Leuchie's value in extending that commitment for a further year to March 2024. Aligned with this extended commitment from Scottish Government, Trustees have received a similar extension of an existing commitment from a major donor.

The gap between cost of delivery of Leuchie's services and fee income is met through donations. Trustees have approved a management plan to expand fundraising resource and effort into corporate fundraising and to appeal to high net worth individual/ philanthropy, with plans in 2023/24 to expand further into community fundraising in other localities. The organisation has made encouraging, early steps into these new areas of fundraising.

The management and organisation has proven to be resilient, as tested by COVID and evidenced by strengthening financial performance year on year in spite of COVID.

The Leuchie Forever Fund and Leuchie House Trustees have committed to merge within 12 months of the signing of the Directors report. Until this occurs and in the unlikely event of an impediment to merger be uncovered, the Leuchie Forever Fund Trustees have reiterated and strengthened their commitment to continue to support Leuchie, working closely with Leuchie's management to raise funds for reserves and major projects.

**NOTES TO THE FINANCIAL STATEMENTS (cont)****For the year ended 31 December 2022****1. Accounting Policies (cont)****Preparation of the accounts on a going concern basis (cont.)**

The charity has in place funding which will enable it to continue until at least 12 months from the date of signing and continues to have confidence and reliance on strong demand for its services, guest fee income and measured expectations of successful funding applications in order to continue beyond that date. The Trustees have reasonable expectation that new funding will be obtained and have therefore continued to prepare the financial statements on a going concern basis. The Trustees' going concern assessment includes the expected impact of COVID-19 to the charity for a period of at least 12 months from the date of signing of these financial statements.

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS (cont)****For the year ended 31 December 2022****1. Accounting Policies (cont)****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
Motor Vehicles	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.

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.

**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.

**Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

LEUCHIE

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2022

2. Income from Grants and Donations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Donations	354,942	1,215	356,157	1,250,397
Gift Aid	15,108	-	15,108	19,464
Grants (note 5)	398,700	248,643	647,343	554,000
Legacies	19,162	-	19,162	12,991
HMRC job retention scheme	-	-	-	171,768
	<u>797,912</u>	<u>249,858</u>	<u>1,037,770</u>	<u>2,008,620</u>

Income from donations was £1,037,770 (2021: £2,008,620) of which £797,912 (2021: £1,541,219) was unrestricted and £249,858 (2021: £467,401) was restricted.

3. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Short break care:				
Fees	769,106	-	769,106	646,116
Expenses recharged to guests	11,916	-	11,916	4,435
Staff meal income	(1,095)	-	(1,095)	(257)
Carers fees	14,395	-	14,395	10,290
Dennis Duncan House Income	32,812	-	32,812	-
	<u>827,134</u>	<u>-</u>	<u>827,134</u>	<u>660,584</u>

Income from charitable activities was £827,134 (2021: £660,584) of which £827,134 (2021: £660,584) was unrestricted and £Nil (2021: £Nil) was restricted.

4. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Fundraising events	113,482	-	113,482	227,037
Residents shop income & other sales	7,528	-	7,528	11,701
	<u>121,010</u>	<u>-</u>	<u>121,010</u>	<u>238,738</u>

Income from charitable activities was £121,010 (2021: £238,738) of which £121,010 (2021: £238,738) was unrestricted and £Nil (2021: £Nil) was restricted.

LEUCHIE

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2022

5. Grants	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
The Scottish Government	300,000	-	300,000	300,000
Blackrock Gives	-	5,492	5,492	-
Capricorn Energy PLC	-	10,000	10,000	-
Amazon Community UK	5,000	-	5,000	-
Barcapel Foundation	-	10,000	10,000	-
Hugh Fraser Foundation	-	5,000	5,000	-
Renaissance Club Charitable Foundation	38,000	-	38,000	-
The R S Macdonald Charitable Trust	-	46,806	46,806	23,287
Myfident Foundation	15,000	-	15,000	10,000
G C Gibson Charitable Trust	5,000	-	5,000	5,000
Christina Mary Hendrie Trust	-	7,000	7,000	5,000
The Oldhurst Trust	5,000	-	5,000	9,000
The Martin Charitable Trust	-	5,000	5,000	-
National Lottery Community Fund	-	42,970	42,970	38,235
Alastair and Margaret Miller Charitable Trust	10,000	-	10,000	10,000
East Lothian Council	-	56,400	56,400	-
The Derek Stewart Charitable Trust	-	10,000	10,000	5,000
The Misses Robinson Charitable Trust	10,000	-	10,000	10,000
The Plum Trust	5,000	-	5,000	5,000
Digital Participation Charter Fund	-	-	-	6,722
Anonymous	-	-	-	5,000
abrdn Charitable Foundation	-	-	-	5,202
The James Weir Foundation	-	-	-	5,000
Mrs M A Black Charitable Trust	-	-	-	5,000
HR Creswick's Charitable Trust	-	-	-	10,000
Queensberry House Trust	-	-	-	10,000
The Hilda and Johnny Gibb Charitable Trust	-	-	-	6,000
The Susan H Guy Charitable Trust	-	-	-	5,000
The Wolfson Foundation	-	14,938	14,938	33,062
Other grants (individually less than £5,000)	5,700	35,037	40,737	42,492
	<u>398,700</u>	<u>248,643</u>	<u>647,343</u>	<u>554,000</u>

LEUCHIE

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2022

6. Expenditure

	Raising Funds £	Short Break Care £	Total Funds 2022 £	Total Funds 2021 £
<i>Direct costs</i>				
Staff costs	132,041	1,175,457	1,307,498	1,194,672
Cost of fundraising events	33,398	-	33,398	109,271
Other overheads	22,312	116,916	139,228	105,545
<i>Support costs</i>				
Staff costs	-	474,313	474,313	462,110
Finance costs	-	4,946	4,946	5,894
Property costs	-	270,349	270,349	412,493
Other overheads	-	169,798	169,798	157,163
Depreciation	-	54,224	54,224	63,626
<i>Governance costs</i>				
Auditor fees	-	9,083	9,083	7,380
Legal fees	-	6,877	6,877	1,620
	<u>187,751</u>	<u>2,281,963</u>	<u>2,469,714</u>	<u>2,519,774</u>

Expenditure was £2,469,714 (2021: £2,519,774) of which £2,171,586 (2021: £2,146,168) was unrestricted and £298,128 (2021: £373,606) 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.

7. Net (expenditure)/income for the year

This is stated after charging:

	2022 £	2021 £
Auditor's remuneration – audit fees	9,083	7,380
Auditor's remuneration – payroll fees	5,280	5,280
Auditor's remuneration – Other fees	2,040	1,020
Depreciation – owned assets	54,224	63,626
(Gain)/Loss on disposal of assets	-	(300)
Other operating leases – service charge	40,000	12,000
	<u>110,627</u>	<u>139,606</u>

8. Trustees' Remuneration and Benefits

There was no Trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

**LEUCHIE**

**NOTES TO THE FINANCIAL STATEMENTS (cont)**

**For the year ended 31 December 2022**

**8. Trustees' Remuneration and Benefits (cont)**

**Trustees' expenses**

No Trustee was reimbursed expenses in the year (2021: no Trustees).

**Donations from Trustees**

During the year, Trustees donated a total of £2,050 (2021: £480) to the Charity.

**9. Staff Costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,624,550	1,505,163
Social security costs	117,250	114,394
Other pension costs	40,011	37,225
	<hr/>	<hr/>
	1,781,811	1,656,782
	<hr/>	<hr/>

One employee received emoluments between £80,000 and £90,000 in the current year (2021: one employee).

**Key management personnel remuneration**

The key management personnel are considered to be the Trustees and the Chief Executive, Director of Care and Health, Director of Income, Fundraising and Communications and Director of Finance Resources. The total of key management remuneration was £188,606 (2021: £275,120).

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Senior management	5	4
Administration and support	7	6
Service providers	75	74
	<hr/>	<hr/>
	87	84
	<hr/>	<hr/>



**LEUCHIE**

**NOTES TO THE FINANCIAL STATEMENTS (cont)**

**For the year ended 31 December 2022**

**10. Tangible Fixed Assets**

	<b>Improvements to Property £</b>	<b>Computer Equipment £</b>	<b>Plant &amp; Machinery £</b>	<b>Motor Vehicles £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Total £</b>
<b><u>Cost</u></b>						
At 1 January 2022	136,355	136,072	232,074	37,856	16,990	559,347
Additions	-	1,880	2,064	-	7,868	11,812
Disposals	-	-	-	-	-	-
At 31 December 2022	136,355	137,952	234,138	37,856	24,858	571,159
<b><u>Depreciation</u></b>						
At 1 January 2022	136,355	127,441	130,363	14,854	16,990	426,003
Charge for year	-	7,094	38,086	7,571	1,473	54,224
Disposals	-	-	-	-	-	-
At 31 December 2022	136,355	134,535	168,449	22,425	18,463	480,227
<b><u>Net book value</u></b>						
At 31 December 2022	-	3,417	65,689	15,431	6,395	90,932
At 31 December 2021	-	8,631	101,711	23,002	-	133,344

LEUCHIE

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2022

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	77,984	93,754
Other debtors	7,584	4,738
Prepayments and accrued income	85,399	125,824
	<hr/>	<hr/>
	170,967	224,316
	<hr/>	<hr/>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	68,502	46,480
Social Security and other taxes	33,187	47,566
Other creditors	53,886	9,942
Accruals and deferred income	61,546	67,173
Pension	8,614	9,660
	<hr/>	<hr/>
	225,735	180,821
	<hr/>	<hr/>

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

	<b>£</b>
Brought forward	(31,888)
Released to income in the year	31,888
Deferred in year	51,246
	<hr/>
Carried forward	51,246
	<hr/>

Deferred income consists of receipts in advance for short breaks of £51,246 (2021: £31,888).

**LEUCHIE**

**NOTES TO THE FINANCIAL STATEMENTS (cont)**

**For the year ended 31 December 2022**

**13. Operating Lease Commitments**

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

	<b>Equipment 2022 £</b>	<b>Property 2022 £</b>	<b>Equipment 2021 £</b>	<b>Property 2021 £</b>
Within one year	1,277	40,050	1,893	40,000
Between one and five years	-	162,940	924	162,740
In more than five years	-	342,380	-	378,630
	<u>1,277</u>	<u>545,370</u>	<u>2,817</u>	<u>581,370</u>

**14. Funds**

	<b>Balance at 1 January 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Balance at 31 December 2022 £</b>
<b>Unrestricted funds</b>					
General Fund	896,821	1,748,061	(2,129,501)	5,093	520,474
<b>Designated Funds</b>					
Fixed assets	100,798	10,216	(42,085)	1,597	70,526
	<u>997,619</u>	<u>1,758,277</u>	<u>(2,171,586)</u>	<u>6,690</u>	<u>591,000</u>
<b>Restricted funds</b>					
Fixed assets	34,001	-	(12,129)	(1,227)	20,645
Staff costs	39,877	165,369	(163,418)	-	41,828
Redevelopment	26,732	14,939	(40,074)	(1,597)	-
Other restricted funds	29,179	69,550	(82,508)	(3,866)	12,356
	<u>129,789</u>	<u>249,858</u>	<u>(298,128)</u>	<u>(6,690)</u>	<u>74,829</u>
<b>Total Funds</b>	<u>1,127,408</u>	<u>2,008,135</u>	<u>(2,469,714)</u>	<u>-</u>	<u>665,829</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.

LEUCHIE

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2022

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 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>					
General Fund	537,184	2,457,679	(2,097,511)	(531)	896,821
<b>Designated Funds</b>					
Fixed assets	78,612	-	(48,657)	70,843	100,798
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	615,796	2,457,679	(2,146,168)	70,312	997,619
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>					
Fixed assets	51,216	16,462	(14,969)	(18,708)	34,001
Staff costs	9,407	98,743	(68,273)	-	39,877
Redevelopment	3,876	326,000	(251,540)	(51,604)	26,732
Other restricted funds	41,807	26,196	(38,824)	-	29,179
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	106,306	467,401	(373,606)	(70,312)	129,789
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Funds</b>	<hr/> <hr/> 722,102	<hr/> <hr/> 2,925,080	<hr/> <hr/> (2,519,774)	<hr/> <hr/> -	<hr/> <hr/> 1,127,408

15. Pension Commitments

During the year the Charity operate personal pension plans for all employees. The charge for the year was £40,011 (2021: £37,225) of which £8,614 (2021: £9,660) was outstanding at the balance sheet date.

LEUCHIE

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2022

16. Analysis of Net Assets Between Funds

Analysis for 2022	Unrestricted £	Restricted £	Total Funds £
Tangible fixed assets	70,526	20,406	90,932
Current assets	746,209	54,423	800,632
Current liabilities	(225,735)	-	(225,735)
	<hr/>	<hr/>	<hr/>
	591,000	74,829	665,829
	<hr/>	<hr/>	<hr/>
Analysis for 2021	Unrestricted £	Restricted £	Total Funds £
Tangible fixed assets	100,798	32,546	133,344
Current assets	1,077,642	97,243	1,174,885
Current liabilities	(180,821)	-	(180,821)
	<hr/>	<hr/>	<hr/>
	997,619	129,789	1,127,408
	<hr/>	<hr/>	<hr/>

17. Cashflow from Operating Activities

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(461,579)	405,306
Adjustments for:		
Depreciation charges	54,224	63,626
(Gain)/loss on disposal of assets	-	(300)
Interest received	(1,489)	(78)
Decrease/(increase) in debtors	53,349	(81,941)
Increase in creditors	44,914	37,427
	<hr/>	<hr/>
Net cash (used)/provided by operating activities	(310,581)	424,040
	<hr/>	<hr/>

LEUCHIE

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 December 2022

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

	2022 £	2021 £
Cash in hand	738	1,025
Instant access bank deposits	628,927	949,544
	<hr/>	<hr/>
Total cash and cash equivalents	629,665	950,569
	<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.

Donations totalling £Nil (2021: £300,000) was receivable from the Leuchie Forever Fund a charity, which has agreed to support the charity and has previously had one common trustee. During the current year Leuchie received income of £122,727 (£2021: £Nil) and paid expenses of £74,892 ( 2021: £Nil) on behalf of the Leuchie Forever Fund. At the year end £47,835 (2021: £Nil) was due to Leuchie Forever Fund.