



LifeCare (Edinburgh) Limited
Trading as LifeCare
Financial Statements
31 March 2020
Registered Number SC286315
Charity Number SC012641

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Reference and Administrative Details

Charity Name	LifeCare (Edinburgh) Limited	
Trading Style	LifeCare	
Charity Registration Number	SC012641	
Company Registration Number	SC286315	
Board of Trustees	Mr J Miller, Chair Mrs Elaine Aitken Mrs SH Dea (resigned 25 June 2020) Mr M N Evans (appointed 18 April 2019) Mrs B Francis, Vice-Chair from 1 April 2020 Miss Lynsey Kerr Mrs MC Macfarlane Mr R Mackie (appointed 12 December 2019) Mr ZM Sheikh Mrs C Symes, Vice Chair to 31 March 2020	
Registered Office and Head Office	2 Cheyne Street Edinburgh EH4 1JB	
Auditors	MHA Henderson Loggie Chartered Accountants 11-15 Thistle Street Edinburgh EH2 1DF	
Bankers	Clydesdale Bank plc 50 Lothian Road Edinburgh EH1 2ZH	
Solicitors	Shoosmiths LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EN	Lindsays Solicitors Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE
Investment Managers	Brewin Dolphin 6 th Floor, Atria one 144 Morrison Street Edinburgh EH3 8BR	

Trustees' Annual Report

The principal objects for which the Company is established are to promote, provide, support and assist in the care and welfare of older persons and carers in the City of Edinburgh, its Environs and throughout Scotland (by maintaining, developing and providing care, support and community services and facilities which meet the evolving needs of older persons and carers, including inter-generational work) and to fulfil the following charitable purposes:

Objectives and activities –

Per the Articles of Association, “The Company provides direct public benefit by fulfilling the following charitable purposes in furtherance of the Company’s objectives:

- a) the relief and support of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage (including by the provision of accommodation or care);
- b) the provision of recreational facilities, and/or the organisation of recreational activities, which are primarily intended for persons who have need of them by reason of age, ill-health, disability, financial hardship or other disadvantage, but which are available to members of the public at large;
- c) the promotion of health and wellbeing and the relief of suffering;
- d) the promotion of education, the arts, heritage, culture or science.”

The activities undertaken in relation to the furtherance of those objectives are as follows:

Registered Care – Services Registered with The Care Inspectorate

- Centre-based day care services are for older people, assessed for the service by recognised care professionals, who are housebound, experience significant loneliness and isolation, have multiple co-morbidities, have a diagnosis of dementia and/or who are physically frail. Additionally, our three centre-based day care services provide relief care and support for carers by providing short breaks in a quality care, safe and supervised environment with staff who are appropriately qualified and trained.
 - 176 service places are available weekly, no less than 50 weeks of the year.
 - Of these 176 places, 132 are contracted and are part-funded by the City of Edinburgh Council. The City of Edinburgh Council require for all centre-based day care provision funded or part-funded by it, that all older people pay a daily standardised contribution towards the cost of that service. This applies to accessing a contracted place or a non-contracted place. This standardised contribution is reviewed annually by the City of Edinburgh Council.
 - For the 44 centre-based day care weekly places which are not contracted by the City of Edinburgh Council, LifeCare must annually seek to meet these costs in full in addition to meeting the funding shortfall of the 132 part-funded contracted places across each of its three registered day care services.
 - The Cottage – dementia care – 50 places available per week, Monday to Friday. Of these, 37 are part funded by the City of Edinburgh Council and 13 places were funded by contributions from the RS MacDonald Charitable Trust, sponsorship, community fundraising activities and LifeCare.
 - St. Bernard’s – dementia care – 60 places available per week, Monday to Friday. Of these, 41 are part funded by the city of Edinburgh Council, 7 places were supported by the RS MacDonald Charitable Trust and community fundraising activities and, for an early stage dementia pilot project, 12 places were funded by the Scottish Government’s Self-Management Fund and administered by Alliance Scotland and LifeCare.

Trustees' Annual Report *(continued)*

Objectives and activities *(continued)*

Registered Care – Services Registered with The Care Inspectorate *(continued)*

- The Dean – frail care - 66 places available per week, Tuesday to Thursday. 54 places are part funded by the City of Edinburgh Council; 12 places are supported from community fundraising activities and LifeCare Reserves.
- Outreach Service (Care at Home) is for older people who have been assessed for this service which delivers registered care in people's homes and communities who are housebound, experience significant social isolation and loneliness, are frail, have multiple co-morbidities, and/or with a diagnosis of dementia. Our Outreach Service also supports carers and their families by providing relief care and other support. The Outreach Service does not receive any public funding. People make a contribution towards care. LifeCare must seek to meet service funding shortfalls annually through its fundraising activities.

Support Services for Older People and Carers

- Help at Home Service helps those, and carers whose loved ones are, housebound through infirmity and/or dementia to remain at home longer with practical support. This could be shopping, house cleaning, laundry, meal preparation and heavier jobs about the home for which people no longer have the physical capability and strength to undertake by themselves. The Help at Home Service does not receive any public funding and so people are asked to make a contribution towards this service. LifeCare must seek to meet service funding shortfalls annually through its fundraising activities.
- Café Life is our community café and receives no public funding directly for its activities. Our Day Centre clients enjoy visiting it for lunch, joining in events held there and engage with and be a part of our community. When not being otherwise used the café space is available to be booked by our broad customer and community user base. Café Life supported a number of volunteers during the period, including people with disabilities and working with local colleges to help students with work placements in the café.
- The LifeCare Centre (Stockbridge House) is our community centre, incorporating the Café Life space. As with our community café, people from all equality groups in the community use the Centre and our different community spaces. Individuals and groups book the available space and provide a diverse range of community activities in the venue. To assist community groups, LifeCare provides free space at no charge to community groups when it is able. Our centre is open 361 days annually.
- The Almoner Service The Royal Company of Merchants of The City of Edinburgh engaged LifeCare (Edinburgh) Ltd to provide an Almoner Service ensuring that a high standard of service is delivered to look after the welfare of persons in receipt of grants, whilst also complying with the legal requirements of charity law.

The current Almoner is Ann Murdoch who commenced in the post on the 2nd December 2019.

Among its many interests, The Royal Company of Merchants of The City of Edinburgh is responsible for administering a number of Charitable Funds which have been established to provide help and support to people over 55-years-of-age and within the Edinburgh area who meet the qualifying criteria of these Trusts.

- The grants provided to the beneficiaries are to improve their quality of life and supplement their income.
- There are 250 beneficiaries who have an annual review completed by the Almoner.
- The grants are regarded as charitable giving, and will not affect any benefits received.
- The Almoner can also "signpost" people to other sources of help and support where appropriate.
- Anyone can make a referral to the Almoner by calling 0131 343 0947 or by email: merchantcompanyalmoner@lifecare-edinburgh.org.uk

Trustees' Annual Report *(continued)*

Objectives and activities *(continued)*

Partnership Working

- Vintage Vibes is a charitable partnership that tackles the social isolation and loneliness experienced by people over 60. This project has its own consortium steering group who report to both Boards of Trustees (LifeCare and The Broomhouse Centre).

The beneficiaries of this project are people over 60 who are

- isolated and lonely,
- in ineffective and unsupportive neighbourhoods or communities
- with a mental health issue e.g. depression
- hard to reach older people for instance older men, minority ethnic or LGBT individuals
- elderly frail people
- those with dementia living independently at home, and their carers
- older people with a disability or a long term illness
- those of all ages who are fit and would like to volunteer as a companion.

Achievements and Performance

- Care Inspectorate Gradings:
 - Each of our three day centres still hold their Grade 6's, 'Excellent'. Clients continue to benefit hugely from these quality services which meet their desired outcomes and are client-led and person-centred.
 - Our Outreach Service received Grade 5 'Very Good' for quality of care and support and staffing and Grade 3 'Adequate' for quality of management and leadership. The management and leadership element is being addressed under the ongoing review of the services by the Board of Management.
- Occupancy – Day Care Centre-based Services: The service results include:
 - Contracted places – dementia day care
 - 100% and 93% occupancy for City of Edinburgh Council contracted places was achieved in each of our two centre-based dementia day centres, The Cottage and St. Bernard's.
 - 12 Places allocated in St Bernard's Club to a pilot project The Bridge for people in the early stage of living with dementia. Despite extensive marketing of this project take up was very limited and it closed on 31 March 2020
 - Testimonials - The Cottage and St. Bernard's Clubs:
 - 'I don't worry about my father when he is at the Cottage Club I know he is being well looked after by people who genuinely care.'
 - 'Without this service would not be able to carry on in role as a carer'
 - 'happy caring group at St Bernard's'
 - 'I feel more confident as I'm less exhausted and have a slightly better balance in life'
 - 'I know my mother is in safe hands and I can relax'
 - Contracted places – elderly frail care: Throughout the year The Dean Club has seen a significant increase in the level of need of individual referrals coming through to us from the Council for frail care, where a high number have been assessed as being 'beyond day care'. This has seen the occupancy rate in the Dean Club drop to 77% of target at the Year End. This has effected the average occupancy of our combined Block Contract with the City of Edinburgh Council for our three day centres. We are reviewing this matter and measures will be taken to remedy in the new financial year.

Trustees' Annual Report (*continued*)

Achievements and performance (*continued*)

- Occupancy – Day Care Centre-based Services:
 - Testimonials – Dean Club:
 - 'I feel like the staff are friends. It's nice to get out of the house'
 - 'I was feeling low and it affected my mental health. By coming to the Dean Club, it has made a tremendous difference. It has given me my life back'
 - Non-contracted places in day centres: The uptake of service places funded by Self Directed Support (SDS) remains low. Working with SDS Option 2 presents as an opportunity to potentially address this.
- The Outreach Service: Service results include:
 - 78% of its target activity was achieved, 9989 booked hours, despite challenges with staff recruitment.
 - The Service supported 84 clients with evolving and high level care needs.
 - 70 family carers, with up to 100 client weekly visits.
 - Testimonials – Outreach Service:
 - 'I don't feel stressed when I can go out to the shops and appointments as I know someone is with my husband'
 - 'I am delighted with the service I receive. I can be myself'
- The Help at Home Service: Service results include:
 - 97% of its target activity was achieved, 16,399 booked hours during the period.
 - 366 hours per week delivered by the Year End.
 - 384 clients and 57 carers supported through the year, where a family carer was present.
 - Service feedback from Help at Home clients and family carers was very positive indeed.
 - Referrals come most often from word of mouth recommendations.
 - Testimonials:
 - "I have a good relationship with my helper and really view her as a friend and someone who will listen to my woes as well as my joys"
 - "For mum in law it has helped enormously enabling her to remain in her own home"
 - "I feel it has helped me to improve with my own independence + to encourage myself belief"
 - "Cannot imagine my life without it now."
 - "I would have no hesitation recommending LifeCare as we have always received excellent support"
 - "Immensely helpful"
 - "This service gives my mum & our family peace of mind knowing that a safe friendly person can help"

Trustees' Annual Report (*continued*)

Achievements and performance (*continued*)

• Vintage Vibes – Charitable Partnership

The Charitable Partnership between LifeCare Edinburgh and The Broomhouse Centre commenced on 21st September 2015 tackles social isolation and loneliness in over 60s living in Edinburgh.

Project delivery includes:

- 120 individual volunteer-VIP matches supported from April 2019-March 2020
- 58 new matches set up 2019-2020 with 62 matches continued to be supported
- 62% of our 120 matches undertake activities outside the home together. Activities outside the home include walks, visits to galleries, cinema trips and visits to shops and cafes.
- 95% of VIPs reported feeling less isolated as well as more confident and happy due to their Vintage Vibes friendships
- 2090 hours of volunteering over 2019-2020
- 142 active volunteers with 65 of these being new volunteers in 2019-2020
- 92 VIPs attended 76 group sessions over the year supported by 4 Vocal Vibes volunteers, 3 Film group volunteers, 1 sewing bee volunteer and 2 Bingo Group volunteers

Testimonials:

- "such a good friend" "couldn't have picked a better person" "been excellent" VIP
- "Great support and there are so many positives. Don't know what we would have done without the support of Vintage Vibes. It's about having someone else that you trust. Been a good friend to my mother and I." Daughter of VIP
- "You do a great job and bring friendship and company to people on their own. A very valuable service!" VIP
- "My volunteer is a blessing - thank you " VIP
- In feedback from our group sessions, VIPs told us that they "are given focus", "feel happier" "joyful" and are "uplifted" through the experiences they have.

• Café Life: Service results include:

- 96% of its income target was achieved.
- After 9 years the café has an established customer base and helps to combat social isolation and loneliness in the community.
- Day time classes, activities and events in the LifeCare Centre help to feed business to the café.
- Customers from the community have increased in the café as more people get to know who and where we are through our other activities.
- The vast majority of customers continue to come from the EH4 and EH5 postcode areas.
- Weekly, the café was patronised by a minimum of 150 older people every week from our local community – and does not include those who attend our services. Older café customers particularly benefit from the existence of the café and its activities (e.g. themed social events/lunches/other activities).
- Additionally, people from all equality groups in the community, spanning all ages and backgrounds, access *Café Life*.
- Feedback has been highly positive again this year.
- Ideas from café customers about menu options have been implemented over the period.
- Café Life continues to be an active participant in the community café network in Edinburgh.

Trustees' Annual Report (*continued*)

Achievements and performance (*continued*)

- The LifeCare Centre (Stockbridge House): The service results include:
 - 92% of its income target achieved.
 - Circa 92,000 people used the venue which included 3,774 group bookings, 7,194 hours.
 - A range of health and wellbeing, recreational, cultural and social activities and events took place that were open to all equality groups in the community.
- Community Engagement: Service results include:
 - A programme of monthly historical talks generated huge community endorsement averaging 75 people per talk.
 - These talks brought people together and combatted social isolation through shared interests in local history.
 - The new Community Engagement Officer has set up regular Conversations Groups and Foodies Groups and is in the process of setting up a History Walking Group.
- The Royal Company of Merchants of The City of Edinburgh Almoner Service – The Royal Company of Merchants of The City of Edinburgh reviewed the service during the year and confirmed that they were very pleased with the service.
- Overall, feedback from clients, carers and customers across all our services was hugely positive again this year. These included letters of thanks, compliments and lovely comments. Few complaints were received and these were addressed timeously per our complaints policy.

Coronavirus 19 (COVID-19)

The coronavirus first impacted the organisation from mid- March 2020. The organisation has put measures in place to mitigate risks to the organisation, staff, service clients and carers.

COVID-19 Measures:

- Office based staff: All staff worked from home from 23rd March 2020, with the exception of two service staff who as skeleton staff manned the office for key activities and to allow scheduled access.
- Furloughed staff: 25 staff from across the organisation were furloughed from 1st April 2020.
- 4 staff had their days reduced from 5 days to 4 days.
- Day Centres: As instructed by the City of Edinburgh Council via the Edinburgh Health & Social Care Partnership, on Monday 16th March 2020, all Council funded or part-funded day centres were closed with effect from Tuesday, 17th March 2020, as a result of the COVID 19 pandemic and infection risk.
 - In parallel with a 'live' and ongoing procurement process, 'Day Opportunities for Older People' of which LifeCare three day centres are part, the City of Edinburgh Council advised that it would extend all day centre Council contracts to 31 July 2020. Subsequently, a decision has been made to extend this further to 31 March 2021.
 - In the meantime, staff teams have shown great agility and innovation and adapted the day care service delivery quickly to work with clients and family carers via telephone or socially distanced visits in their gardens or doorstep and using other digital platforms with support from family carers in the home. It is unknown as yet when the day centres will be allowed to reopen in 20/21.

Trustees' Annual Report (*continued*)

Achievements and performance (*continued*)

Coronavirus 19 (COVID-19)

- Clients and carers have said such lovely things about the services during this period:
 - 'I am delighted with the service I receive. I can be myself'
 - 'I feel like the staff are friends. It's nice to get out of the house'
 - 'Without this service would not be able to carry on in role as a carer'
- Outreach Service: The Service was impacted heavily in March 2020 as a result of the majority of clients or their families choosing to 'shield' and put the service on hold for the time being. For this reason, 5 of 12 social care workers were furloughed. The service has reduced to 30 clients from 55 clients who continue to receive service in 20/21.
 - Clients who are shielding are anticipated to return to the service when present crisis measures advised by the Scottish Government change or are lifted. In the meantime, a return to work plan is being devised for all registered care services with a collaboration between the Care Services/Registered Manager and the care teams.
- Help at Home: The service was impacted heavily in March 2020 with the number of clients stopping services due to social restrictions and shielding. A number of staff have also been affected by COVID 19, a total of 9 staff have been furloughed from the 1st April 2020 due to the pandemic. The service adapted to ensure that clients who continued to receive service covered their basic needs by providing food shopping ensuring that social restrictions were adhered to at all time. The service developed a 4 stage plan to resume normal activities as restrictions are lifted and service can be carried out safely for staff and clients.
- Café Life: The Café was severely impacted from the COVID 19 outbreak and closed to customers and clients following notification from local authority. All staff employed in the café were furloughed from 1st April 2020.
- The Café reopened again in July 2020 with takeaway meals provided from site and a new Home Delivery project delivered from the café of hot meal to vulnerable clients. One staff member was taken off furlough to deliver the project in conjunction with the help at home team
- LifeCare Centre:
 - The LifeCare Centre was severely impacted from the COVID 19 outbreak and closed to customers and clients following notification from local authority. All staff employed in the centre were furloughed from 1st April 2020. Preparation and planning for reopening the Centre are well underway, with written plans being developed in collaboration with staff for an estimated reopening date of September 2020.
- Vintage Vibes:
 - All staff moved to home working immediately, no staff have been furloughed
 - Transferred all matched VIPs and volunteers to a phone service within the first two weeks of lock down
 - Created a new service 'Biscuit & A Blether' to provide phone based companionship for trained (but unmatched) volunteers and VIPs who are on our waiting list
 - Secured sponsorship for 'Biscuit & A Blether' campaign from Shortbread House of Edinburgh
 - Weekly reporting system set up for volunteers and VIPs to report high risk issues during isolation period
 - Regular email and written communications with signposting for support developed for VIPs and volunteers
 - Pilot group of volunteers set up following 'Lockdown Legacy' consultation in order to trial re-introduction of face to face matches in line with Government guidelines_____

Trustees' Annual Report (continued)

Achievements and performance (continued)

Board of Trustees and the Organisation

- Su Millar our Chief Executive, who served LifeCare for over 17 years, left the charity in June 2020. We thank Su for her dedicated leadership to LifeCare during that time and wish her every success for the future. The role of Chief Executive has been filled on an interim basis by Kirstine Fergusson who will oversee developments until an appointment is made to the permanent post later this year.
- One new Trustee joined our Board on 18th April 2019. Trustee succession remains a priority.
- One Trustee resigned from the Board on 25th June 2020.
- The LifeCare Board of Trustees held nine meetings in 2019-2020, including the AGM and Board Strategy Session. The three LifeCare Board Committees, Care, Finance and Organisational Development, met regularly throughout the period. The Consortium Steering Group for the Vintage Vibes project, our Charitable Partnership with The Broomhouse Centre, met bimonthly. Table 1 provides a breakdown of the number of Board, Board Committees and Consortium Steering Group meetings in

Table 1: Number of Board, Board Committee and CSG Meetings in 2019-2020

Board	Organisational Development Committee	Care Committee	Finance Committee	Vintage Vibes Consortium Steering Group	TOTAL MEETINGS
9	6	6	6	6	33

Contribution of Volunteers

- Our Volunteers made an invaluable contribution in time and talents, increasing our capacity and making it possible to achieve all that we have done during this period. Volunteers helped us in Vintage Vibes, in our day care services, as café hosts, in reception, fundraising, marketing and communications, research, IT/database, on our Board, event helpers and in helping with practical projects in the venue, like painting and gardening and many other aspects.
- We recorded 8,304 hours of volunteer time across LifeCare's range of services and functions in the charity, which included 2231 hours from Vintage Vibes volunteers. The minimum financial equivalent, based on the National Living Wage in 2019-2020, amounted to £68k.
- We value all our volunteers very highly and thank them and our supporters for their personal contributions in time and talents. We could not have achieved all that we have done this year without them. We owe them a huge debt of thanks for the difference they have made to the lives of so many.

Financial Review

Results for the year

	2020 £000	2019 £000
Income for the year	1,471	1,405
Expenditure	<u>(1,799)</u>	<u>(1,528)</u>
	<u>(328)</u>	<u>(123)</u>
Gains(losses) on investments		
Revaluation of UK listed investments	(113)	13
Unrealised loss on Property investment		
Land title settlement (see note below)		<u>(100)</u>
Net movement in investment gains/(losses)	<u>(113)</u>	<u>(87)</u>
Net movement in funds	<u>(441)</u>	<u>(210)</u>

Trustees' Annual Report (continued)

Financial Review (continued)

Note on land title settlement:

It has been known for a number of years that part of the land on which the LifeCare centre was built on was still owned by the City of Edinburgh Council. A settlement price of £100k was agreed with the council and this was paid in March 2020 although provision for the purchase was made in the 2019 financial statements. An application for registration of the council property was successfully lodged with the land registry and title to the property has been received. This will not impact the valuation of £275k given by Rydens LLP, Property Consultants, which assumed that all land was owned by LifeCare (see note 11).

Principal income sources

The organisation received funding by way of a single City of Edinburgh Council combined Service Level Agreement for our three day centres which totalled £313k (2019 £308k). Contributions from service users of the Outreach and Help at Home services grew to £455k from 2019 £391k. The Vintage Vibes project received £3k (2019 £4k) of client contributions and donations.

The organisation was fortunate to receive £83k (2019 £143k) from several legacies during the year. Previous Legacies received have been invested and will be used to generate investment income to assist in making the organisation sustainable.

Reserves Policy

The Trustees have conducted a review of LifeCare's reserves policy which has been prompted by:

- Reduced contract income from the local authority
- Known pressures on public sector funding which also impacts on support for disadvantaged and vulnerable people
- The need to secure the long-term sustainability of LifeCare and its essential services to our clients in a challenging environment services
- Maintaining LifeCare's vital services in a climate of financial uncertainty
- Offsetting the impact of a reduction of grants from charitable trusts

In these uncertain times the Trustees have decided that they require the equivalent of 6 months expenditure as free cash equivalent reserves.

We have been advised that the City of Edinburgh Council Contract has been extended to 31st March 2021 due to COVID 19 and the tender bid submitted in February 2020 will be revisited later in the year.

The budgeted costs for 2020/21 are £1.45m and 6 months would represent £725k. Currently LifeCare is fortunate in achieving this as shown below:

	2020	2019
	£000	£000
Restricted reserves	(102)	(106)
Fixed Assets including Investment property	(693)	(657)
Building & Maintenance Designated fund	(19)	(77)
Vintage Vibes Designated fund	(45)	(45)
	<hr/> (859)	<hr/> (885)
Total Reserves	<hr/> 1,625	<hr/> 2,066
Free Reserves	<hr/> 766	<hr/> 1,181

Trustees' Annual Report *(continued)*

Financial Review *(continued)*

Building & Maintenance Designated Fund

Our premises in Cheyne Street were built nearly 50 years ago. There are a number of major building works that must be carried out to ensure that the building is properly maintained and fit for purpose as a much used community amenity and venue for all equality groups to enjoy. A building maintenance survey was carried out and there is a 5 year planned maintenance scheme in place. Major Refurbishments were carried out in the year to renovate the premises and this has been primarily funded from the LifeCare Building and Maintenance fund. A grant of £3k was received from the Neighbourhood partnership for the supply and installation of baffling in the gallery.

Vintage Vibes Designated fund

Vintage Vibes has secured funding from the Health and Social Care Partnership Integrated Joint Board and Comic Relief to continue the current work programme. We are committed to continue this very successful project and have designated £45k in funds as a cushion while it seeks additional funding.

Investment Policy

The aim of investing is to generate long term capital growth to protect the value of the capital against inflation and to generate income ahead of that available from cash deposits. An external investment manager is engaged for this purpose. The income generated will be used to assist in bridging funding gaps.

The company's investment property was formally reviewed by Ryden LLP on 31 March 2018 at a value of £275,000. The property, which is an integral part of the LifeCare building, is classified as such under Accounting Standards as it generates rental income for the organisation. The property is due for revaluation by 31st March 2021, the impact of COVID 19 on the property value has been analysed by the board and is found to short term and the timeframe for the revaluation will be maintained and the next revaluation will take place as scheduled.

Fixed assets, principally the Cheyne Street property, are held for charitable purposes. Other assets in the form of property and readily realisable shares are held for future income for the charity's principal activities.

COVID-19 Financial Impact on Services

Income & Expenditure

- **Daycentre Services** - The Centres are still operating virtually with income levels remaining the same. The increased expenditure associated with the Daycentres will be mainly the transport costs once the centre reopens but the increase in these costs should be reduced by the lack of transport costs in the first quarter of the 2021 financial year and hence will not have much of an impact on costs.
- **Centre Based Services (Café and Venue)** - Due to government guidelines, these were closed on 16th March 2020 as advised by the City of Edinburgh Council and hence no income has been generated from these services in the first quarter of the 2021 Financial Year. The Community Let service is hoped to reopen in August 2020, whilst the Café has reopened to provide meals on wheels funded by a grant and a takeaway service to the public.
- **Help at Home and Outreach Services** - These services have been operating throughout the COVID-19 Crisis but there has been a reduction in income due to the reduction in clients numbers uptake caused by clients having to shield or self-isolate.

The reduction in income from the centre based services and the social care services have been mitigated by Life Care applying for all eligible grants made available due to the crisis. The increased fundraising effort has successfully secured grants of £177k in the first quarter of the 2021 financial year. Expenditure has been reduced by utilising the Government Furloughed Scheme for staffing.

Trustees' Annual Report *(continued)*

Plans for future periods

In 2020-2021, our primary strategic priority is, as far as possible during a pandemic, financial stability.

In support of this principal aim we will,

1. Complete the Organisational Review started in October 2019: Phase 1, an internal review, was completed in March 2020; and, Phase 2 will focus on a refreshing of the vision, mission and values and the organisational structure needed to deliver these with an external scoping of the new landscape as it emerges.
2. Review the organisations Articles of Association.
3. Develop a Trustee succession plan to reflect the needs of the organisation and to ensure good governance continues.
4. Compete successfully for COVID-19 Government, other grants, funding and partnerships to help maintain and sustain the organisation during these times and beyond them.
5. Be agile, innovate and adapt to deliver services in different ways to ensure that people who use any one of our range of services will have their desired outcomes met and within Government guidelines (e.g. social distancing).
6. Collaborate across the organisation on the learnings and staff recommendations taken from the outbreak and imbed these in future delivery and practice; share with and learn from other organisations.
7. In advance of returning to work from lock down and re-opening services, develop and implement comprehensive plans and put in place robust measures to address people's concerns about aspects that may affect their safety, in collaboration with staff, and where possible, with clients/carers/customers and key funders, so we take account of as many voices and perspectives as we can.
8. Develop innovative alternative models to deliver Vintage Vibes outcomes during the pandemic. The Board of Trustees for LifeCare has agreed to work with our Partners, The Broomhouse Centre to explore the options for formalising the position of Vintage Vibes as a separately constituted charity. Decisions will be based on the value such a move would bring to the beneficiaries of Vintage Vibes and its future sustainability, and LifeCare and The Broomhouse Centre would become the sole members of the new body.
9. Complete the review with The Royal Company of Merchants of The City of Edinburgh the Almoner Service contract.
10. Rekindle community engagement activities, adapting to deliver, using digital solutions in order to recapture the early success and momentum of community engagement activities shaped by the ideas of older and other people living in our community.
11. Encourage, develop and offer meaningful volunteering opportunities that address people's motivations for volunteering to ensure that volunteer outcomes are met, as well as those of the organisation, and to increase the organisation's capacity and reach as a direct consequence.
12. Look to undertaking our fourth, three-year cycle of the Investing in Volunteering award, as part of our commitment to volunteering across our range of existing and future services.
13. See staff teams embrace the use of digital solutions to facilitate adaptation of service delivery and to improve internal communications during the pandemic and imbed learning from it beyond that timeframe.

Trustees' Annual Report *(continued)*

Structure, Governance and Management

Governing document

Originally founded in 1940 as *Edinburgh Old People's Welfare Council* and registered as a charity in 1946, the organisation changed its name to LifeCare (Edinburgh) Limited on 9th September 2005. It changed its corporate form to that of a charitable Company Limited by Guarantee (not having share capital), incorporated on 17 June 2005.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association, which were subsequently reviewed and amended by the Board and approved by OSCR in January 2013. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The company is regulated by the Office of the Scottish Charity Regulator, Companies House and the Care Inspectorate.

Recruitment and appointment of Trustees

The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles of Association are known as members of the Board of Trustees. Members of the Board of Trustees are listed on page 1. Under the requirements of the Articles of Association the members of the Board of Trustees are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. Additionally, members of the Board of Trustees must be re-elected at the next Annual General Meeting following their appointment to the Board of Trustees.

Traditional business skills are well represented on the Board of Trustees. The charity has identified "skill gaps" on its Board of Trustees and is recruiting suitably qualified members and continues to review this on a regular basis, usually every second year, or earlier if required.

The Board of Trustees

The Board of Trustees, who are directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Trustee induction and training

The majority of Trustees are already familiar with the practical work of the charity through many years involvement with its work. New Trustees meet the Chairman and Chief Executive to discuss the work of the organisation and to be briefed on the Constitution, operations and finance.

Trustees are encouraged to attend appropriate external training courses. A review of the organisation's Trustee Induction Information is undertaken regularly.

Organisational structure

The Company has a Board of Trustees of up to 15 members who meet regularly and are responsible for the strategic direction and policy of the charity. At present the Board of Trustees has nine members with a variety of professional and other relevant backgrounds to its work.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Chief Executive with specific delegated duties to the Business Relations Manager and Care Services Manager.

Three standing committees of the Board of Trustees have been established to monitor and report to the Board on Care, Finance and Organisational Development in support of and to promote the work of the Company. In addition, for Vintage Vibes, our charitable partnership project with The Broomhouse Centre, the Consortium Steering Group involves two Trustees from each charity and is currently chaired by a LifeCare Trustee. Each committee is chaired by a member of the Board of Trustees and at least one other Trustee is involved in each Committee.

Trustees' Annual Report *(continued)*

Structure, Governance and Management

Pay of key management

The Board performs a benchmarking review every five to six years. The last such review was completed in 2014.

Risk Management

The Board of Trustees have reviewed the major risks to which the charity is exposed. These risks are wide ranging and include: reputational risk; factors that impact on good governance, such as skills gaps on the Board; IT failure, data breach and cyber-attack; unresolved property title; factors that impact on the ability or capacity of services to deliver; loss of income in a challenging funding landscape; and, the impact of social, technological, economic and political factors. The Board of Trustees considers its risk register at Board meetings and reviews this annually as part of its three-year business plan review.

The funding of the service range remains the key priority. The organisation will ensure that services continue to remain relevant and current to the needs of those who access them. LifeCare (Edinburgh) Limited has good relationships with its funders and continues to look for appropriate sources of funding to assist with supporting its range of care, support and community services.

The Management of the Charity and the Board are closely monitoring the current position in respect of COVID 19 including the recent impact on Investment Valuations across the market and the resulting reduced income in other trading activities of the charity.

Responsibilities of the Board of Trustees

The Board of Trustees is responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UKGAAP). Company Law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board of Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006. The Board of Trustees is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Board of Trustees is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Auditors

In accordance with the Companies Act 2006, a resolution for the reappointment of MHA Henderson Loggie as auditors of the charitable company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Annual Report *(continued)*

Approval of the Trustees' Annual Report

At the time of approving this report, the Board of Trustees is aware of no relevant audit information of which the charity's auditors are unaware and have taken all steps that they ought to have taken as a member of the Board of Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 24 September 2020 and signed on its behalf by;



James Miller
Chairman

Independent auditor's report to the Trustees and Members of LifeCare (Edinburgh) Limited

Opinion

We have audited the financial statements of LifeCare (Edinburgh) Limited (the 'company') for the period ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis of opinion

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

Conclusions relating to going concern

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

- the 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees' 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Independent auditor's report to the Trustees and Members of LifeCare (Edinburgh) Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all 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 and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company 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.

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

Independent auditor's report to the Trustees and Members of LifeCare (Edinburgh) Limited
(continued)

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Trustees 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, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Henderson Loggie

James Davidson (Senior Statutory Auditor)
For and on behalf of MHA Henderson Loggie,
Chartered Accountants
Statutory Auditor
(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

11-15 Thistle Street
Edinburgh
EH2 1DF

29 September 2020

MHA Henderson Loggie is trading name of Henderson Loggie LLP

Statement of financial activities (Including Income and Expenditure Account)
for the year ended 31 March 2020

		Unrestricted Funds			Restricted Funds	2020 Total	2019 Total
	Note	General £	Designated £	Revaluation £	£	£	£
Income from:							
Donations and legacies	2	149,327	-	-	66,444	215,771	289,650
Charitable activities	3	459,256	-	-	566,057	1,025,313	894,762
Other trading activities	4	182,954	-	-	123	183,077	190,500
Investments	5	46,430	-	-	-	46,430	30,204
Total income		837,967	-	-	632,624	1,470,591	1,405,116
Expenditure on:							
Raising funds	6	(253,952)	-	-	-	(253,952)	(248,511)
Charitable activities	7	(785,527)	(19,753)	-	(739,536)	(1,544,816)	(1,279,395)
Total expenditure		1,039,479	(19,753)	-	(739,536)	(1,798,768)	(1,527,906)
Losses on investments	11,15	(86,910)	-	(25,827)	-	(112,737)	(87,707)
Net expenditure		(288,422)	(19,753)	(25,827)	(106,912)	(440,914)	(210,497)
Transfers between funds	15,16	(63,855)	(38,480)	-	102,335	-	-
Net movement in funds		(352,277)	(58,233)	(25,827)	(4,577)	(440,914)	(210,497)
Reconciliation of funds							
Funds balances at 1 April 2019		1,811,356	122,223	25,827	106,713	2,066,119	2,276,616
Fund balances at 31 March 2020		1,459,079	63,990	-	102,136	1,625,205	2,066,119

The incoming resources and resulting net movements in funds arise from continuing operations.

Balance sheet
at 31 March 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible fixed assets	10		418,204		382,153
Investments	11		1,054,467		1,473,681
			<hr/>		<hr/>
			1,472,671		1,855,834
Current assets					
Stock in hand		967		973	
Debtors	12	148,881		88,461	
Cash at bank and in hand		72,801		280,868	
		<hr/>		<hr/>	
			222,649	370,302	
Creditors: amounts falling due within one year		(70,115)		(160,017)	
		<hr/>		<hr/>	
Net current assets			152,534		210,285
			<hr/>		<hr/>
Total assets less current liabilities			1,625,205		2,066,119
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Unrestricted funds:					
Revaluation funds	15	-		25,827	
General funds	15	1,459,079		1,811,356	
Designated funds	15	63,990		122,223	
		<hr/>		<hr/>	
			1,523,069		1,959,406
Restricted funds	16		102,136		106,713
			<hr/>		<hr/>
			1,625,205		2,066,119
			<hr/> <hr/>		<hr/> <hr/>

The accounts are prepared in accordance with the provisions of the Companies Act 2006 relating to small companies.

These financial statements were approved and authorised for issue by the Board of Trustees on 24 September 2020 and were signed on its behalf by:



James Miller
Chairman

Company Registration No. SC286315

Statement of cash flows
at 31 March 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash used in operating activities	20		(497,878)		(26,818)
Cash flows from investing activities					
Investment income	5	46,430		30,204	
Purchase of tangible assets	10	(63,096)		(15,137)	
Purchase of investments	11	(871,097)		(399,820)	
Proceeds from sale of investments	11	589,139		5,113	
Cash used in investing activities			(289,624)		(379,640)
Decrease in cash and cash equivalents in the year			(796,502)		(406,458)
Cash and cash equivalents at the beginning of the year	21		882,563		1,289,021
Total cash and cash equivalents at the end of the year	21		86,061		882,563

Notes

(forming part of the financial statements)

1 Accounting policies

(a) *Basis of preparation*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments. The financial statements are compliant with the Statement of Recommended Practice FRS 102– Accounting and Reporting by Charities (SORP FRS102) second edition, with the Financial Reporting Standard 102 (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006. The charity is a public benefit entity and a company limited by guarantee incorporated in Scotland with the registered office as noted on page 1. The principal accounting policies adopted in the preparation of the financial statements are set out below.

(b) *Going concern*

The charity's operations have significantly been affected by the COVID-19 global pandemic and the Trustees have taken the steps outlined in the Trustees report to safeguard the Charity. Having reviewed budgets for the 12 months from signing and the cash and quoted investments held by the charity these financial statements have been prepared on the going concern basis which assumes that the charity will continue its operations.

(c) *Income*

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donation and legacies includes donations, gifts and grants that provide core funding or are of general nature.

Legacies are recognised when the amount of the legacy can be estimated with sufficient accuracy and receipt is probable.

Income from community lets is included in other trading activities and is recognised as earned.

Investment income is recognised on a receivable basis and includes investment property rental income. Rents received in advance are included in deferred income. Cafe income is recognised immediately as they are cash sales.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions, and is recognised as the related services are provided. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and where the amount can be measured with sufficient reliability.

(d) *Expenditure*

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds comprise the costs associated with attracting donations and legacies.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Notes (continued)

1 Accounting policies (continued)

(d) *Expenditure (continued)*

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

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

(e) *Tangible assets*

Tangible assets are stated at cost less accumulated depreciation. The costs of minor additions or those below £1,000 are not capitalised.

(f) *Investments*

Fixed asset investments are included in the balance sheet at fair value. The fair value of listed investments is based on middle market prices at the balance sheet date. The Investment property is revalued tri-annually and no depreciation or amortisation is provided. Unrealised gains and losses on investments are taken to the revaluation reserve.

(g) *Depreciation*

Depreciation has been provided to write off the cost less the estimated residual value of tangible fixed assets at the following rates:

Freehold property	- 2% straight line
Furnishings and equipment	- 20% straight line
Computers	- 33% straight line
Motor vehicles	- 20% reducing balance

(h) *Stock*

Stock is held at the lower of cost and net realisable value. Stock relates to Café Life.

(i) *Fund Accounting*

- Unrestricted funds are available for use at the discretion of the Board of Trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.
- Designated funds are unrestricted funds earmarked by the Board of Trustees for particular purposes.
- Restricted funds are subject to restrictions on their expenditure imposed by the donor.

Where small amounts of restricted funds are received and spent in the year as part of an activity which is supported from general funds the income and expenditure is included in general funds.

(j) *Defined contribution pension scheme*

The charity contributes to pension schemes providing benefits based on contributions. Employer contributions charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

(k) *Realised and unrealised gains and losses*

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Notes *(continued)*

1 Accounting policies *(continued)*

(l) *Taxation*

The Company is recognised by HM Revenue and Customs as a charity for the purposes of the Corporation Tax Act 2010 part 11 and is exempt from income and corporation tax on its charitable activities.

(m) *Debtors*

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

(n) *Creditors and provisions*

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

(o) *Cash at bank and in hand*

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

(p) *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.

(q) *Judgements in applying accounting policies and key sources of estimation uncertainty*

In the application of the company'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.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.
- Investment properties are valued using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

Notes (continued)

2 Analysis of income from donations and legacies

	Unrestricted £	Restricted £	2020 £	2019 £
Donations	66,786	66,444	133,230	146,904
Legacies	82,541	-	82,541	142,746
	<u>149,327</u>	<u>66,444</u>	<u>215,771</u>	<u>289,650</u>

Income from donations and legacies was split £213,965 unrestricted and £75,685 restricted in 2019.

3 Income from charitable activities

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Grant income	3,810	479,532	483,342	411,005
Day care client contributions	-	83,827	83,827	88,571
At home client contributions	455,446	2,698	458,144	395,186
	<u>459,256</u>	<u>566,057</u>	<u>1,025,313</u>	<u>894,762</u>

Income from charitable activities was split £391,133 unrestricted and £503,629 restricted in 2019.

Included in grant income is £312,978 (2019; £307,861) from the City of Edinburgh Council and £nil (2019; £60,000) from the Big Lottery Fund

4 Other trading activities

	Café £	Community lettings £	Total 2020 £	Café £	Community lettings £	Total 2019 £
Incoming resources	63,473	119,604	183,077	63,840	126,660	190,500
Cost of raising funds	(71,196)	(98,672)	(169,868)	(72,485)	(101,285)	(173,770)
	<u>(7,723)</u>	<u>20,932</u>	<u>13,209</u>	<u>(8,645)</u>	<u>25,375</u>	<u>16,730</u>

Other trading income was all unrestricted in 2019

5 Income from investments

	2020 Unrestricted £	2019 Unrestricted £
Property leases	27,500	27,500
Dividends	17,244	15
Interest	1,686	2,689
	<u>46,430</u>	<u>30,204</u>

Notes (continued)

6 Expenditure on raising funds

	Staff costs £	Direct costs £	Support costs £	2020 £	2019 £
Unrestricted					
Costs of raising donations and legacies	3,691	14,121	26,521	77,333	69,688
Investment management costs		6,751	-	6,751	5,053
Other trading activities	8,521	28,564	56,073	169,868	173,770
	<u>12,192</u>	<u>49,436</u>	<u>82,594</u>	<u>253,952</u>	<u>248,511</u>

7 Expenditure on charitable activities

	Unrestricted £	Designated £	Restricted £	2020 Total £	2019 Total £
Staff costs	548,030	-	274,702	822,732	655,347
Direct costs	85,855	-	149,492	235,347	213,441
Support costs	142,236	19,753	315,342	477,331	402,707
	<u>776,121</u>	<u>19,753</u>	<u>739,536</u>	<u>1,535,410</u>	<u>1,271,495</u>
Care & Welfare of the Elderly	776,121	19,753	739,536	1,535,410	1,271,495
Governance costs – Audit fee	9,406	-	-	9,406	7,900
	<u>785,527</u>	<u>19,753</u>	<u>739,536</u>	<u>1,544,816</u>	<u>1,279,395</u>

Expenditure on charitable activities in 2019 was split £614,438, general unrestricted, £33,815 designated unrestricted and £631,142 restricted.

8 Support costs

	2020 £	2019 £
Staff costs	290,640	252,266
Other overhead costs	269,285	230,679
	<u>559,925</u>	<u>482,945</u>

9 Staff numbers and costs

	2020 £	2019 £
Wages and salaries	1,135,087	941,350
Social Security costs	61,925	54,576
Pension payments	38,282	29,354
	<u>1,235,294</u>	<u>1,025,280</u>
	No	No
Average number of employees	84	68

There were no employees who received emoluments in excess of £60,000.

Notes (continued)

9 Staff numbers and costs (continued)

Key management of the organisation are considered to be the Chief Executive, the Business Relations Manager, the Management Accountant and the Care Services Manager. Total remuneration of the key management personnel of the company was £154,062 (2019: £147,022). In addition, employer payments to a pension scheme of 10,357 (2019: £9,973) were made on their behalf.

No members of the Board received any remuneration or other payments. One Trustee received reimbursement of expenses of £288 (2019: £22). Trustee indemnity insurance was in place for the benefit of Trustees throughout the period.

10 Tangible fixed assets

	Freehold property £	Furnishings and equipment £	Computers £	Motor vehicles £	Total £
Cost					
Balance at start of year	565,786	73,769	13,771	19,494	672,820
Additions	19,260	43,836	-	-	63,096
Disposals	-	-	-	-	-
Balance at end of year	585,046	117,605	13,771	19,494	735,916
Depreciation					
Balance at start of year	209,282	54,423	12,577	14,385	290,667
Charge for year	11,700	13,128	1,194	1,023	27,045
Eliminated on disposal	-	-	-	-	-
Balance at end of year	220,982	67,551	13,771	15,408	317,712
Net book value					
At 31 March 2020	364,064	50,054	-	4,086	418,204
At 31 March 2019	356,504	19,346	1,194	5,109	382,153

11 Fixed asset investments

	Investment property £	UK listed investments £	Total 2020 £	Total 2019 £
Market value brought forward at start of year	275,000	596,986	871,986	564,986
Additions	-	871,097	871,097	399,820
Disposals	-	(589,139)	(589,139)	(5,113)
Realised (loss)/gain	-	(7,847)	(7,847)	47
Unrealised loss	-	(104,890)	(104,890)	(87,754)
	275,000	766,207	1,041,207	871,986
Cash held for investment			13,260	601,695
			1,054,467	1,473,681
Cost as at 31 March 2020	316,753	871,097	1,187,850	887,912

Notes (continued)

11 Fixed asset investments (continued)

Stockbridge House extension was valued by an independent RIS registered valuer within: Ryden LLP, Property Consultants, at an open market value of £275,000 on 31 March 2018. The Trustees consider this value to be reasonable as at 31 March 2020.

The property, which is an integral part of the LifeCare building, is classified as an investment property under Accounting Standards as it generates rental income for the organisation. It is not self-contained and would incur considerable cost and reorganisation to liquidate.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility to growth. Liquidity risk is anticipated to be low as listed investments are traded in markets with good liquidity and high trading volumes and this is expected to continue. The Charity invests in pooled investment vehicles and is therefore directly exposed to credit risk. This risk is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and diversification of investments amongst a number of pooled funds. Market risk arises principally in relation to equities held in the pooled vehicles. The Charity manages this exposure to market risk by constructing a diverse portfolio of investments across various markets and by retaining expert advisors to manage its investment portfolio.

12 Debtors

	2020 £	2019 £
Trade debtors	83,516	78,095
Prepayments and accrued income	10,619	8,739
Other debtors	54,746	1,627
	<u>148,881</u>	<u>88,461</u>

13 Creditors

	2020 £	2019 £
Trade creditors	25,964	19,943
Tax and social security	16,072	-
Other creditors	14,341	14,136
Accruals	9,155	121,355
Deferred income	4,583	4,583
	<u>70,115</u>	<u>160,017</u>

14 Deferred income

	2020 £	2019 £
Balance as at 1 April 2019	4,583	4,583
Amount released to income	(4,583)	(4,583)
Amount deferred in the year	4,583	4,583
	<u>4,583</u>	<u>4,583</u>
Balance as at 31 March 2020	4,583	4,583

Deferred income relates to rental of office space where rent has been received in advance.

Notes (continued)

15 Unrestricted funds

2020	Revaluation Funds £	General Funds £	Designated Funds £	Total £
Opening funds brought forward at start of year	25,827	1,811,356	122,223	1,959,406
Income	-	837,967	-	837,967
Expenditure	-	(1,039,479)	(19,753)	(1,059,232)
Realised gain on investments	(25,827)	17,980	-	(7,847)
Unrealised gain/ (loss) on investments	-	(104,890)	-	(104,890)
Transfer to restricted funds	-	(63,855)	(38,480)	(102,335)
Closing funds as at 31 March 2020	-	1,459,079	63,990	1,523,069
2019	Revaluation Funds £	General Funds £	Designated Funds £	Total £
Opening funds brought forward at start of year	73,917	1,485,174	625,407	2,184,498
Income	-	825,791	-	825,791
Expenditure	-	(862,949)	(33,815)	(896,764)
Realised gain on investments	(2,107)	2,154	-	47
Unrealised gain on investments	(45,983)	(41,771)	-	(87,754)
Transfer to restricted funds	-	402,957	(469,369)	(66,412)
Closing funds as at 31 March 2019	25,827	1,811,356	122,223	1,959,406

Designated funds

2020	Opening funds £	Income £	Resources expended £	Transfers £	Closing funds £
Building maintenance	77,223	-	(19,753)	(38,480)	18,990
Vintage Vibes	45,000	-	-	-	45,000
	122,223	-	(19,753)	(38,480)	63,990
2019	Opening funds £	Income £	Resources expended £	Transfers £	Closing funds £
Building maintenance	11,153	-	-	66,070	77,223
Vintage Vibes	45,000	-	-	-	45,000
New service development	30,000	-	-	(30,000)	-
Strategic Investment Fund	539,254	-	(33,815)	(505,439)	-
	625,407	-	(33,815)	469,369	122,223

The development fund includes income received from significant legacies which the Trustees wish to use to develop new, as well as to extend existing charitable services with the aim of reducing dependence on local authority funding and with a view to the longer term sustainability of the charity further details outlined under the reserves policy on page 10.

Notes (continued)

16 Restricted funds

	Funds as at 31 March 2019 £	Income £	Expenditure £	Transfers £	Funds as at 31 March 2020 £
Big Lottery Fund - Vintage VIBES	43,124	29,962	(75,013)	1,927	-
Vintage VIBES – other funding	37,598	17,959	(17,253)	(427)	37,877
Restricted income funds	-	416,853	(511,214)	94,361	-
Almoner service	-	30,812	(35,468)	4,656	-
Inverleith Neighbourhood Partnership					
Celebrate Stockbridge	1,975	-	-	-	1,975
Scottish Football	3,132	-	(3,132)	-	-
Community engagement	9,104	965	(11,887)	1,818	-
Tesco Bank	7,768	37,443	(4,178)	-	41,033
Rydens	2,012	1,204	(3,216)	-	-
Deep Project	2,000	-	(2,000)	-	-
Alliance	-	29,629	(29,629)	-	-
The Building Collaboration	-	22,000	(18,522)	-	3,478
Community Link	-	45,797	(28,024)	-	17,773
	<u>106,713</u>	<u>632,624</u>	<u>(739,536)</u>	<u>102,335</u>	<u>102,136</u>

	Funds as at 31 March 2018 £	Incoming resources £	Resources expended £	Transfers £	Funds as at 31 March 2019 £
Big Lottery Fund - Vintage VIBES	42,354	60,000	(59,230)	-	43,124
Vintage VIBES – other funding	41,330	19,647	(29,652)	6,273	37,598
Restricted income funds	-	423,005	(482,203)	59,198	-
Almoner service	-	29,575	(30,516)	941	-
Big Lottery Fund – Celebrate Stockbridge	8	-	(859)	-	-
Inverleith Neighbourhood Partnership					
Celebrate Stockbridge	1,975	-	-	-	1,975
Scottish Football	-	4,698	(1,566)	-	3,132
Voluntary Sector Development Fund	3,600	-	(3,600)	-	-
Community engagement	-	9,163	(59)	-	9,104
Tesco Bank	-	9,213	(1,445)	-	7,768
Rydens	-	9,024	(7,012)	-	2,012
Deep Project	2,000	-	-	-	2,000
RS McDonald	-	15,000	(15,000)	-	-
	<u>110,411</u>	<u>579,908</u>	<u>(664,009)</u>	<u>65,808</u>	<u>92,118</u>

Transfers represent income from unrestricted funds used to fund deficits on restricted services.

Vintage Vibes is a stand-alone charitable partnership with The Broomhouse Centre, part funded by the Big Lottery Fund, that offers long term interventions for people over 60 across Edinburgh. It does this by providing companionship, support, the prospect of being more socially connected and volunteering opportunities for those who are fit and able.

Notes *(continued)*

16 Restricted funds *(continued)*

The restricted income funds – part funding via a block contract from City of Edinburgh Council for each of our three day care services; The Dean, St. Bernard's and the Cottage. Restricted income funds relate to the operational activities of these three centre-based services.

Almoner Service – the Almoner Service is managed on behalf of The Royal Company of Merchants of The City of Edinburgh. Celebrate Stockbridge – £5,000 funding from the Big Lottery Fund via its 'Celebrate' award and £2,000 from the Inverleith Neighbourhood Partnership to support our 'Celebrate Stockbridge' project.

Voluntary Sector Development Fund - represents funding received towards staff training for care staff.

Scottish Football – grant to allow an employee to receive their salary whilst on leave playing football for the Women's Scottish Football team.

Community engagement - funding towards a project encouraging participation and support for LifeCare with a range of events and activities.

Tesco Bank – Funding received towards musical therapy and musical adventures and, for 2020, our new early stage dementia project

Rydens - Funding received towards the St Bernard's Garden and other care services.

RS McDonald – Funding support for our dementia services

WGA Edward Trust – funding for laptops and projectors for two of the daycare centres

The DEEP Project - working with our clients with early stage dementia to learn their life stories and plan activities for them which fit with their life-long passions.

Alliance - Funding for a programme of person centred registered care to those with early on stage dementia. Focussing on building social networks, developing practical skills, increasing emotional empowerment and developing infrastructure of support and communication for individuals and their carers.

The Building Collaboration - funding for the Vintage Vibes Development Manager role and of facilitated away days to provide further project development. As well as a contribution towards rental of a shared office space for the Vintage Vibes team and budget towards staff CPD.

Community Link - Funding for workers who are located in the local GP surgeries in Stockbridge to assisting social prescribing.

Notes (continued)

17 Reserves analysis

	Unrestricted Funds			Restricted Funds	Total per balance sheet
	Revaluation Funds	General Funds	Designated Funds		
2020	£	£	£	£	£
Tangible fixed assets	-	418,204	-	-	418,204
<i>Fixed asset investments:</i>					
Property not readily realisable	-	275,000	-	-	275,000
UK listed investments	-	779,467	-	-	779,467
Net current assets		(13,592)	63,990	102,136	152,534
	-	1,459,079	63,990	102,136	1,625,205
	Unrestricted Funds			Restricted Funds	Total per balance sheet
	Revaluation Funds	General Funds	Designated Funds		
2019	£	£	£	£	£
Tangible fixed assets	-	382,153	-	-	382,153
<i>Fixed asset investments:</i>					
Property not readily realisable	-	275,000	-	-	275,000
UK listed investments	25,827	1,172,854	-	-	1,198,681
Net current assets	-	(18,651)	122,223	106,713	210,285
	25,827	1,811,356	122,223	106,713	2,066,119

18 Operating leases

The charity holds surplus office buildings as investment properties as disclosed in note 11, which are let to a third party. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than one year	13,750	13,750

19 Related parties

One Trustee from the prior year, Alan Jacques, was also a Trustee in the prior year of the Alzheimer Scotland. During the previous year the charity were invoiced £95 by Alzheimer Scotland in respect of training, postage and subscriptions.

Alan Jacques, was also a Trustee of the LGBT Healthy Living Centre in the prior year. The charity received income of £717 in respect of room hire from the LGBT Healthy Living Centre.

The chief executive is also a Trustee of Dance Ihayami. The charity received room hire income of £9,352 from Dance Ihayami in the year. There was a debtor of £7,061 at the year-end.

Notes (continued)

20 Net cash flow from operating activities

	2020 £	2019 £
Net movement in funds	(440,914)	(210,497)
Depreciation	27,045	26,039
Investment (gains)/losses	112,737	87,707
Loss on disposal of fixed assets	-	423
Investment income	(46,430)	(30,204)
(Increase)/decrease in debtors	(60,420)	607
(Increase)/decrease in stock	6	(2)
Increase/(decrease) in creditors	(89,902)	99,109
Net cash used in operating activities	(497,878)	(26,818)

21 Net cash flow from operating activities

	At start of year £	Cash flow £	At end of year £
Cash at bank and in hand	280,868	208,067	72,801
Cash held as part of investment portfolio	601,695	588,435	13,260
Net funds	882,563	796,502	86,061

22 Financial Instruments

	2020 £	2019 £
Carrying amount of financial assets		
Measured at fair value	1,054,467	1,473,681

Financial assets measured at fair value consist of the investment property and the UK listed investments. Debt instruments measured at amortised costs consist of trade debtors and other debtors.

23 Ultimate controlling party

The charitable company is constituted by its Articles of Association and is controlled by its Board of Trustees.