



LifeCare (Edinburgh) Limited  
Trading as LifeCare  
Financial Statements  
31 March 2023  
Registered Number SC286315  
Charity Number SC012641

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## Reference and Administrative Details

<b>Charity Name</b>	LifeCare (Edinburgh) Limited	
<b>Trading Style</b>	LifeCare	
<b>Charity Registration Number</b>	SC012641	
<b>Company Registration Number</b>	SC286315	
<b>Board of Trustees</b>	Beverley M Francis (Chairperson from 1 March 2021) James Miller (resigned 24 June 2022) Elaine Aitken Jonathan Erskine (appointed 29 June 2023) Philip Galt (appointed 25 May 2023) Brian Gegan (appointed 29 June 2023, resigned 20 August 2023) Jordan Hay (appointed 25 May 2023) Jane A Hogg (resigned 29 June 2023) Lorna Jackson (appointed 25 May 2023) Lynsey Kerr (resigned 25 May 2023) Mary-Clare Macfarlane Kathleen Mcadams (appointed 29 June 2023) Richard Mackie (resigned 25 May 2023) Susan J Mallinder (resigned 29 June 2023) Karen Moore (appointed 23 February 2023) Christopher J Paton (resigned 29 September 2022) Momin Bin Rasheed (resigned 27 June 2023)	
<b>Registered Office and Head Office</b>	2 Cheyne Street Edinburgh EH4 1JB	
<b>Auditor</b>	Henderson Loggie LLP 11-15 Thistle Street Edinburgh EH2 1DF	
<b>Bankers</b>	Clydesdale Bank plc 50 Lothian Road Edinburgh EH1 2ZH	
<b>Solicitors</b>	Shoosmiths LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EN	Lindsays Solicitors Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE
<b>Investment Managers</b>	Brewin Dolphin 6 <sup>th</sup> 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 unpaid carers by providing short breaks in a quality care, safe and supervised environment with staff who are appropriately qualified and trained.
  - 160 service places are available weekly, no less than 50 weeks of the year. These are provided across three services: 2 Dementia specialist services at The Cottage and St Bernards and a service to frail elderly in The Dean Club.
  - Of these 160 places, 116 are contracted and are part-funded by the City of Edinburgh Council. The City of Edinburgh Council require that all older people pay a daily standardised contribution towards the cost of the service, for all centre-based day care provision, funded or part-funded by it. This standardised contribution is reviewed annually by the City of Edinburgh Council. The City of Edinburgh have continued to provide the contracted funding, but client contributions have been significantly reduced due to ongoing restrictions in transport provision for part of 2022 meaning that less people could attend the clubs.
  - For the 44 centre-based day care weekly places which are not contracted by the City of Edinburgh Council, some of these are funded through Self Directed Support Payments, some privately. LifeCare must annually seek to meet the funding shortfall of the 116 part-funded contracted places across its three registered day care services through fundraising. In addition, LifeCare continues to seek additional grant funding to be able to offer additional funded places.
- Outreach Service (Care at Home) is for older people who have been assessed for this service which delivers registered care in people’s homes 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 respite, care, and other support. This service is funded in multiple ways, through Individual service contracts with the local authority, people using self-directed support payments and some people pay privately. LifeCare must seek to meet service funding shortfalls annually through its fundraising activities.

## **Trustees' Annual Report** *(continued)*

### **Objectives and activities** *(continued)*

**Duty of Candour** –No duty of candour issues to report.

#### Support Services for Older People and Carers

- Help at Home helps people requiring support with living with dementia, poor health and/or mobility to remain at home longer by providing practical support. This could be shopping, house cleaning, laundry, meal preparation etc which people no longer have the ability 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.
- Meals on Wheels delivers freshly prepared, nutritious, hot and ready to eat meals to people over 50 with health and/or support needs in North Edinburgh and Leith. Clients pay £6.50 per hot meal delivered, those in receipt of Pension Credits or Universal credit are eligible for free meals from the service twice a week, the cost of these is covered by fundraising activities.
- Café Life is our community café. The café is open the public weekdays for customers to sit in or takeaway. The café also holds a number of activities for the community including weekly play area for children and community events, in addition the café provides the meals for both our meals on wheels service and our onsite day services. When not being otherwise used the café space is available to be booked by our broad customer and community user base.
- The LifeCare Centre (Stockbridge House) is our community hub, 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. In addition, the hub has received funding to provide free classes for carers and their cared ones. Our centre is open 361 days annually.

#### **Partnership Working**

- Vintage Vibes is a charitable partnership between LifeCare and Space at Broomhouse Hub 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 of both organisations.

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.

## Trustees' Annual Report (continued)

### Achievements and Performance

- Our Registered Services:

Each of our three-day centres still hold their Grade 6's, 'Excellent'. Clients continue to enjoy companionship and lasting connections from the opportunity to visit socialise and participate in activities they enjoy regularly, and all three services meet their individual desired outcomes, are client-led.

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 elements have been improved following a review of the service by the Board of Management led by a new and experienced Service Co-ordinator. The next inspection is scheduled for April 2023.

Throughout the year The Dean Club has been supporting clients in the centre 2 days per week until December 2022 when it rose to 3 once its building improvements were completed. We met our council contract and in addition delivered 309 places funded by Self-directed support (SDS) or privately once the services reopened.

The Outreach Service delivered 84% (11,050 hours) of its target (13,163 hours), with 88% (11,662 hours) booked hours, but cancelled due to client ill health or Covid. In total the service supported 89 clients with evolving and high-level care needs ages ranging from 50 – 101 years, 63 family carers, with up to 115 client weekly visits.

- Help at Home:

This year we delivered 13,698 hours of help and support to 286 clients in Edinburgh including 3,395 shops to vulnerable adults in the community Referrals come most often from word-of-mouth recommendations. Referral levels increased on the previous year with 163 clients being referred.

Staff recruitment through the year continued to hold back further growth and a waiting list has been operating for the service since January 2022. There were 79 people on the waiting list at 31<sup>st</sup> March 2023. Demand for the service continues to be high.

- Meals on Wheels:

This year we delivered 5596 hot meals in the North Edinburgh and Leith to 105 clients. We saw significant growth (95%) between September 2022 to March 2023. 40% (2243) of these were delivered free of charge or subsidised through LifeCare fundraising.

- Vintage Vibes:

- 131 individual volunteer-VIP matches supported between April 2022 and March 2023
- 174 VIPs have been actively involved in the service during 22/23 and receive monthly opportunities letters which includes activities and inspiration for staying active within the home
- 25 VIPs are members of the Vintage Vibes Film Group, meeting fortnightly to socialise and watch a film.
- Vocal Vibes, the volunteer led singing group held fortnightly singing sessions for 20 VIPs and enjoyed a number of facilitated workshops as well as performing for the community.
- 3977 hours of volunteering in 2022-2023
- 97% of VIPs reported that their involvement with Vintage Vibes had made them feel less isolated.
- 94% of VIPs reported that their involvement in Vintage Vibes has made them feel happier and helped to better their quality of life
- 76% of VIPs reported that their involvement in Vintage Vibes had improved their mental health.

**Trustees' Annual Report (continued)**

**Achievements and performance (continued)**

CaféLife:

The Café reopened fully in January 2022 after renovation allowing the café to grow its customer base, increase the number of meals to the community and allow the café to produce meals for our day centre clients. The growth of the café during the year has exceeded expectations and prepared a total of 5,596 meals. We have increased the number of activities held in the café to attract customers and varied our menu options to offer a broader range to customers.

The LifeCare Centre (Stockbridge House):

Use of the venue continued to grow following reopening the previous year with 5955 hours of bookings taking place in the year, 50% increase from previous year with income generated increasing to £93,000.

A new post of community Hub coordinator was created in March 2022 after successful funding application from Awards for All, to help the centre attract new business and to engage with the local community. Through funding received from Creative Breaks, LifeCare launched its carers classes schedule, with free places for carers and those they care for to attend activities at the LifeCare Centre.

In November 2022 thanks to funding from various organisations a warm space was launched 2 days per week, to help those during the cost-of-living crises by providing a warm space and free food.

Board of Trustees and the Organisation

- The LifeCare Board of Trustees held six meetings in 2022-2023, including the AGM and Board Strategy Session. The two LifeCare Board Committees, Client Services and Financial, Risk and Audit, met regularly throughout the period. The Consortium Steering Group for the Vintage Vibes project, our Charitable Partnership with the Space at the Broomhouse Hub, met bimonthly. Table 1 provides a breakdown of the number of Board, Board Committees and Consortium Steering Group meetings in 2022-2023.

**Table 1: Number of Board, Board Committee and CSG Meetings in 2022-2023**

Board	Client Services	Finance, Risk and Audit Committee	Vintage Vibes Consortium Steering Group	<b>TOTAL MEETINGS</b>
6	3	3	5	<b>17</b>

Contribution of Volunteers

Volunteers made an invaluable contribution to LifeCare this year, in sharing their time and talents, increasing our capacity and making it possible to achieve all that we have done. Volunteers helped in Vintage Vibes, in our day care services, as café hosts, kitchen porter, office administration, researching our history, and in helping with practical projects in the venue, like painting and gardening and many other aspects.

We recorded 6927 hours of volunteer time across LifeCare's range of services, which included 3977 hours from Vintage Vibes volunteers. We value all our volunteers and thank them and our supporters for their personal contribution. 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.

## Trustees' Annual Report (continued)

### Financial Review

#### Results for the year

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Income for the year	1,673	1,423
Expenditure	<u>(1,711)</u>	<u>(1,566)</u>
	<u>(38)</u>	<u>(143)</u>
Gains(losses) on investments		
Revaluation of UK listed investments	(74)	31
Unrealised gain on Property investment	-	-
Net movement in investment gains/(losses)	<u>(74)</u>	<u>31</u>
Net movement in funds	<u>(112)</u>	<u>(112)</u>

#### 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 £353k (2022: £323k). Contributions from service users of the Outreach and Help at Home services increased to £544k (£470k 2022). Café and Venue income increased to £135.5K (£68K)

#### Reserves Policy

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

- 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
- The continued recovery from the Covid pandemic and the cost-of-living crisis currently being experienced.

In these uncertain times the Trustees have decided that they require the minimum 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 2024 at the tender price submitted to the council in February 2023.

The budgeted costs for 2023/24 are £1.8m and 6 months would represent £900k. Currently LifeCare has 4 months budgeted costs this as shown below. Due to the staff pay and reward package and the current inflationary increases on costs, the Board of Trustees have approved a deficit budget for the coming financial year and this is to be met from free reserves.



## Trustees' Annual Report (continued)

### Financial Review (continued)

#### Reserves policy (continued)

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Restricted reserves	(248)	(216)
Fixed Assets including Investment property	(747)	(672)
Building & Maintenance Designated fund	(19)	(19)
Vintage Vibes Designated fund	(45)	(45)
	<u>(1,059)</u>	<u>(952)</u>
Total Reserves	<u>1,703</u>	<u>1,814</u>
Free Reserves	<u>644</u>	<u>862</u>

#### 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.

#### Vintage Vibes Designated fund

Vintage Vibes has secured funding from the Health and Social Care Partnership Integrated Joint Board and National Lottery Community Fund 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 2022 at a value of £300,000. 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.

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.

#### **Plans for the future**

In 2022-2023, the Board of Trustees reviewed the strategic plan for the organisation focussing on recovery from the Covid pandemic, the cost of living crisis and the unprecedented demand for the services LifeCare provides. As part of this review, it was identified that growing the services of LifeCare and the that of the centre and Café are key to future financial sustainability of the organisation alongside creating a dedicated fundraising team.

## **Trustees' Annual Report (continued)**

### **Plans for the future** *(continued)*

Our Strategic Goals have been agreed as:

1. Reach increased numbers older people with our high-quality services.
2. Evidence the impact we make, to the lives of those we support.
3. Amplify the voices of older people locally and nationally, influencing policy and practice.
4. Provide support to the wider community through a thriving Community Hub.
5. Be sustainable as an organisation.

In the next year we will:

- Increase the support we provide in Outreach, Help@Home and Meals on Wheels
- Test and scale up new services and services for unpaid carers, seek feedback of service users and unpaid carers annually and publish an annual impact report.
- Raise awareness of our impact through conferences, consultations, and social and other media outlets.
- Gather the voices of older people and their unpaid carers through our work.
- Raise awareness and challenge the negative narrative about older people in our society by representing the voices of older people:
  - In local forums and commissioning work
  - At national forum's, cross party groups and through consultation responses and calls for evidence from the Scottish government.
- Increase the number and range activities offered in the Hub ensuring these are inclusive and encourage diversity.
- Ensuring our staff and volunteers are supported and developed, supporting recruitment and retention, to be an organisation of choice within the sector.
- To undertake a review of the UN Sustainable Development Goals and create an action plan for improvement, supporting the Scottish Government in working towards these.

### **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 9<sup>th</sup> 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.

## Trustees' Annual Report (continued)

### Structure, Governance and Management (continued)

#### 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 development

This year the Board held its first in-person meeting shared experiences and personal values at a strategy away day together and went on to set a strategic framework for the senior managers to develop further. The Board agreed a risk strategy, renewed its risk appetite and agreed an assurance framework together with the senior management team.

Directors made a plan for the year ahead which included an in-depth Board conversation about how to connect LifeCare's contribution to carbon zero goals within wider sustainable development goals. A further event was held to explore and appraise its compliance and assurance preparedness. Both were facilitated by sector leaders in charity governance and environmental strategy.

#### Organisational structure

The Company has a Board of Trustees of up to 12 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.

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.

Two 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 Space at the Broomhouse Hub, 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.

#### Pay of key management

The Board performs a benchmarking review every five to six years. Attracting and retaining good people at all levels remains our primary challenge. The Board approved a pay and benefits review with the objective to benchmark pay and benefits for all employees. The board approved new salary and benefits packages in December 2022, implemented in January 2023.

#### Risk Management

The Board of Trustees has reviewed the charity's strategic risks and adjusted its risk appetite accordingly:

<b>HEADLINE RISK APPETITE THEME/ACTIVITY</b>	<b>RISK APPETITE LEVEL</b>	<b>CHANGE</b>
GROWTH, COLLABORATION & PARTNERSHIP	Open	Yes
CONFIDENCE & TRUST/QUALITY OF SERVICES (COMPLIANCE)	Cautious	No
FINANCIAL SUSTAINABILITY	Cautious	No
ADAPTABLE/AGILE & RESILIENCE	Open	Yes
OUR PEOPLE	Open	Yes
SAFETY & SECURITY	Cautious	No

## **Trustees' Annual Report (continued)**

### **Structure, Governance and Management** *(continued)*

The Board of Trustees considers its risk register at Board meetings and reviews this annually.

Financial risks have been monitored carefully over the year and efforts made to improve data reporting to both better assure the Board of sustained financial controls moving in the right direction, and make steps towards producing a compelling and well evidence case to funders. These will help to sustain regrowth of fundraising income in what has been and will continue to be very challenging funding landscape. From a strategic point of view regathering the confidence, competence and freeing up the capacity to develop collaborative partnerships has also begun. These will position LifeCare to secure City of Edinburgh Council and Edinburgh Health & Community Partnership contacts on the near horizon and ensure that the voices of older people shape the translation of Scotland's ambition for a national care service in Edinburgh.

The funding of the service range remains the key priority. The organisation will ensure that services continue to remain relevant current and affordable to meet the needs of those who access them. LifeCare (Edinburgh) Limited has sustained relationships with its funders during the pandemic and continues to find and secure sources of funding to grow its reach scale and scope of community support.

The Management of the Charity and the Board are closely monitoring the impact of the pandemic recovery and the cost-of-living crisis on the charity, including the recent impact on Investment Valuations across the market and the resulting impact of income in all its trading activities.

### **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.

## **Trustees' Annual Report (continued)**

### **Auditor**

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

### **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

**Beverley Francis**  
*Chairperson*

## **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 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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**

In auditing the financial statements, we have concluded that the trustees' (who are also the directors of the charitable company for the purpose of company law) 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 charitable 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.

### **Other information**

The other information comprises the information included 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 course of 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 this gives rise to 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.

## **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 (incorporating the directors' report) for the financial year 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 set out on page 10, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor 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 regulations made under those Acts.

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

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

As part of our planning process:

- We enquired of management the systems and controls the charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following were most relevant: Health and Safety; Care regulations; charity law; employment law (including the Working Time Directive); and compliance with the UK Companies Act.
- We considered the incentives and opportunities that exist in the charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading correspondence with regulators including OSCR, the Health & Safety Executive and the Care Inspectorate;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to depreciation rates and valuation of investment properties; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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)*

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Keith Macpherson (Senior Statutory Auditor)**  
**For and on behalf of Henderson Loggie LLP,**  
**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

**Statement of financial activities (Including Income and Expenditure Account)**  
*for the year ended 31 March 2023*

	Note	Unrestricted Funds			Restricted Funds	2023 Total	2022 Total
		General	Designated	Revaluation			
		£	£	£	£	£	
<b>Income from:</b>							
Donations and legacies	2	86,529	-	-	192,829	279,358	287,988
Charitable activities	3	609,712	-	-	552,489	1,162,201	1,013,260
Other trading activities	4	135,429	-	-	-	135,429	69,346
Investments	5	52,812	-	-	-	52,812	52,376
Other income		43,200	-	-	-	43,200	-
<b>Total income</b>		<b>927,682</b>	<b>-</b>	<b>-</b>	<b>745,318</b>	<b>1,673,000</b>	<b>1,422,970</b>
<b>Expenditure on:</b>							
Raising funds	6	(233,388)	-	-	-	(233,388)	(200,624)
Charitable activities	7	(797,820)	-	-	(679,485)	(1,477,305)	(1,365,480)
<b>Total expenditure</b>		<b>(1,031,208)</b>	<b>-</b>	<b>-</b>	<b>(679,485)</b>	<b>(1,710,693)</b>	<b>(1,566,104)</b>
Gain/ (loss) on investments	11, 15	(74,302)	-	-	-	(74,302)	31,553
<b>Net income/ (expenditure)</b>		<b>(177,828)</b>	<b>-</b>	<b>-</b>	<b>65,833</b>	<b>(111,995)</b>	<b>(111,581)</b>
<b>Transfers between funds</b>	15, 16	<b>34,704</b>	<b>-</b>	<b>-</b>	<b>(34,704)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(143,124)</b>	<b>-</b>	<b>-</b>	<b>31,129</b>	<b>(111,995)</b>	<b>(111,581)</b>
<b>Reconciliation of funds</b>							
Funds balances at 1 April 2022		1,474,731	63,990	59,197	216,630	1,814,548	1,926,129
<b>Fund balances at 31 March 2023</b>		<b>1,331,607</b>	<b>63,990</b>	<b>59,197</b>	<b>247,759</b>	<b>1,702,553</b>	<b>1,814,548</b>

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

**Balance sheet**  
**at 31 March 2023**

	Notes	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Tangible fixed assets	10		<b>446,592</b>		372,145
Investments	11		<b>1,112,079</b>		1,252,263
			<hr/>		<hr/>
			<b>1,558,671</b>		1,624,408
<b>Current assets</b>					
Stock in hand		<b>1,558</b>		1,577	
Debtors	12	<b>161,804</b>		126,416	
Cash at bank and in hand		<b>120,927</b>		166,870	
		<hr/>		<hr/>	
			<b>284,289</b>	294,863	
<b>Creditors:</b> amounts falling due within one year	13	<b>(117,003)</b>		(70,305)	
		<hr/>		<hr/>	
<b>Net current assets</b>			<b>167,286</b>		224,558
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>1,725,957</b>		1,848,966
<b>Creditors:</b> amounts falling due in more than one year			<b>(23,404)</b>		(34,418)
			<hr/>		<hr/>
<b>Net Assets</b>			<b>1,702,553</b>		1,814,548
			<hr/> <hr/>		<hr/> <hr/>
<b>Capital and reserves</b>					
Unrestricted funds:					
Revaluation funds	15	<b>59,197</b>		59,197	
General funds	15	<b>1,331,607</b>		1,474,731	
Designated funds	15	<b>63,990</b>		63,990	
		<hr/>		<hr/>	
Restricted funds	16		<b>1,454,794</b>		1,597,918
			<b>247,759</b>		216,630
			<hr/>		<hr/>
			<b>1,702,553</b>		1,814,548
			<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 2023 and were signed on its behalf by:

**Beverley Francis**  
*Chairperson*

**Company Registration No. SC286315**

**Statement of cash flows**  
*at 31 March 2023*

	Notes	2023 £	2023 £	2022 £	2022 £
<b>Cash used in operating activities</b>	20		<b>(38,893)</b>		<b>(175,885)</b>
<b>Cash flows from investing activities</b>					
Investment income	5	52,812		52,376	
Purchase of tangible assets	10	(114,730)		(5,429)	
Purchase of investments	11	(60,618)		(104,549)	
Proceeds from sale of investments	11	126,546		111,473	
<b>Cash generated by (used in) investing activities</b>			<b>4,010</b>		<b>53,871</b>
<b>Cash flows from financing activities</b>					
Drawdown of bank loan		-		-	
Loan repayments		(11,014)		(5,582)	
<b>Cash generated by financing activities</b>			<b>(11,014)</b>		<b>(5,582)</b>
<b>Decrease in cash and cash equivalents in the year</b>			<b>(45,897)</b>		<b>(127,596)</b>
Cash and cash equivalents at the beginning of the year	21		<b>179,322</b>		<b>306,918</b>
<b>Total cash and cash equivalents at the end of the year</b>	21		<b>133,425</b>		<b>179,322</b>

## 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 been affected by the inflationary increase in staff remuneration and operational costs. 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.

## Notes (continued)

### 1 Accounting policies (continued)

(d) *Expenditure (continued)*

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.

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.

**Notes** *(continued)*

**1 Accounting policies** *(continued)*

- (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.
- (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 £	2023 £	2022 £
Donations	31,241	82,255	113,496	103,781
Legacies	281	-	281	13,845
City of Edinburgh Council – COVID grants	-	-	-	5,750
Miscellaneous Grant Funding	55,007	110,574	165,581	164,612
	<u>86,529</u>	<u>192,829</u>	<u>279,358</u>	<u>287,988</u>

Income from donations and legacies was split £112,265 unrestricted and £175,723 restricted in 2022.

**3 Income from charitable activities**

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Grant income	10,632	473,364	483,996	501,249
Day care client contributions	-	57,400	57,400	21,685
At home client contributions	599,080	21,725	620,805	490,325
	<u>609,712</u>	<u>552,489</u>	<u>1,162,201</u>	<u>1,013,260</u>

Income from charitable activities was split £600,242 unrestricted and £413,018 restricted in 2022.

Included in grant income is £353,162 (2022; £328,866) from the City of Edinburgh Council

**4 Other trading activities**

	Café £	Community lettings £	Total 2023 £	Café £	Community lettings £	Total 2022 £
Incoming resources	43,663	91,766	135,429	12,019	57,327	69,346
Cost of raising funds	(41,467)	(108,653)	(150,120)	(34,875)	(93,693)	(128,569)
	<u>2,196</u>	<u>(16,887)</u>	<u>(14,691)</u>	<u>(22,857)</u>	<u>(36,366)</u>	<u>(59,223)</u>

Other trading income was all unrestricted in 2022.

**5 Income from investments**

	2023 Unrestricted £	2022 Unrestricted £
Property leases	27,500	27,500
Dividends	25,312	24,876
	<u>52,812</u>	<u>52,376</u>



**Notes** (continued)

**6 Expenditure on raising funds**

	Staff costs £	Direct costs £	Support costs £	2023 £	2022 £
<i>Unrestricted</i>					
Costs of raising donations and legacies	68,871	5,391	2,752	77,014	65,105
Investment management costs	-	6,254	-	6,254	6,950
Other trading activities	112,369	45,797	(8,046)	150,120	128,569
	<u>181,240</u>	<u>57,442</u>	<u>(5,294)</u>	<u>233,388</u>	<u>200,624</u>

**7 Expenditure on charitable activities**

	2023 Total £	2022 Total £
Staff costs	850,326	765,998
Direct costs	178,593	174,314
Support costs	448,386	425,168
	<u>1,477,305</u>	<u>1,365,480</u>
Care & Welfare of the Elderly	<u>1,477,305</u>	<u>1,365,480</u>

**8 Support costs**

	2023 £	2022 £
Staff costs	228,228	239,855
Other overhead costs	202,034	190,084
Governance costs – Audit fee	12,830	9,677
	<u>443,092</u>	<u>439,616</u>

**9 Staff numbers and costs**

	2023 £	2022 £
Wages and salaries	1,150,359	1,068,785
Social Security costs	68,364	59,268
Pension payments	41,071	37,033
Redundancy payments	-	1,704
	<u>1,259,794</u>	<u>1,166,790</u>

	No	No
Average number of employees	<u>74</u>	<u>75</u>

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 £192,224 (2022: £168,292). In addition, employer payments to a pension scheme of £9,587 (2022: £7,292) were made on their behalf.

No members of the Board received any remuneration or other payments (2022; £Nil). No Trustees received reimbursement of expenses in the year (2022: £Nil). Trustee indemnity insurance was in place for the benefit of Trustees throughout the period.

**10 Tangible fixed assets**

	<b>Freehold property</b> £	<b>Furnishings and equipment</b> £	<b>Computers</b> £	<b>Motor vehicles</b> £	<b>Total</b> £
<b>Cost</b>					
Balance at start of year	585,046	123,034	13,771	19,494	741,345
Additions	64,933	49,047	750	-	114,730
Balance at end of year	649,979	172,081	14,521	19,494	856,075
<b>Depreciation</b>					
Balance at start of year	244,383	94,167	13,771	16,879	369,200
Charge for year	12,998	26,515	247	523	40,283
Balance at end of year	257,381	120,682	14,018	17,402	409,483
<b>Net book value</b>					
<b>At 31 March 2023</b>	<b>392,598</b>	<b>51,399</b>	<b>503</b>	<b>2,092</b>	<b>446,592</b>
At 31 March 2022	340,663	28,867	-	2,615	372,145

**11 Fixed asset investments**

	<b>Investment property</b> £	<b>UK listed investments</b> £	<b>Total 2023</b> £	<b>Total 2022</b> £
Market value brought forward at start of year	300,000	939,811	1,239,811	1,215,182
Additions	-	60,618	60,618	104,549
Disposals	-	(126,546)	(126,546)	(111,473)
Realised (loss)/gain	-	(5,582)	(5,582)	3,898
Unrealised gain/ (loss)	-	(68,720)	(68,720)	27,655
	300,000	799,581	1,099,581	1,239,811
Cash held for investment			12,498	12,452
			1,112,079	1,252,263
Cost as at 31 March 2023	316,753	816,652	1,133,405	1,193,066

**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 £300,000 on 31 March 2022.

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**

	<b>2023</b>	2022
	£	£
Trade debtors	<b>100,814</b>	74,881
Prepayments and accrued income	<b>59,914</b>	48,558
Other debtors	<b>1,076</b>	2,977
	<u><b>161,804</b></u>	<u>126,416</u>

**13 Creditors due in one year**

	<b>2023</b>	2022
	£	£
Trade creditors	<b>39,945</b>	12,776
Tax and social security	<b>17,398</b>	14,261
Other creditors	<b>8,476</b>	15,945
Accruals	<b>36,601</b>	12,740
Deferred income	<b>4,583</b>	4,583
Bank Loan	<b>10,000</b>	10,000
	<u><b>117,003</b></u>	<u>70,305</u>

**Creditors due in more than one year**

Bank Loan – 2-5 years	<b>23,404</b>	29,166
Bank loan - >5 years	-	5,252
	<u><b>23,404</b></u>	<u>34,418</u>

The Bank loan is unsecured with an interest rate of 2.5% is repayable over six years.

**Notes** (continued)

**14 Deferred income**

	<b>2023</b>	2022
	£	£
Balance as at 1 April 2022	<b>4,583</b>	4,583
Amount released to income	<b>(4,583)</b>	(4,583)
Amount deferred in the year	<b>4,583</b>	4,583
	<hr/>	<hr/>
Balance as at 31 March 2023	<b>4,583</b>	4,583
	<hr/> <hr/>	<hr/> <hr/>

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

**15 Unrestricted funds**

<b>2023</b>	<b>Revaluation Funds</b>	<b>General Funds</b>	<b>Designated Funds</b>	<b>Total</b>
	£	£	£	£
Opening funds brought forward at start of year	<b>59,197</b>	<b>1,474,731</b>	<b>63,990</b>	<b>1,597,918</b>
Income	-	<b>927,682</b>	-	<b>927,682</b>
Expenditure	-	<b>(1,031,208)</b>	-	<b>(1,031,208)</b>
Gain/ (loss) on investments	-	<b>(74,302)</b>	-	<b>(74,302)</b>
Transfer to restricted funds	-	<b>34,704</b>	-	<b>34,704</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Closing funds	<b>59,197</b>	<b>1,331,607</b>	<b>63,990</b>	<b>1,454,794</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
2022	<b>Revaluation Funds</b>	<b>General Funds</b>	<b>Designated Funds</b>	<b>Total</b>
	£	£	£	£
Opening funds brought forward at start of year	37,136	1,583,438	63,990	1,684,564
Income	-	834,229	-	834,229
Expenditure	-	(906,233)	-	(906,233)
Gain/(Loss) on investments	22,061	9,492	-	31,553
Transfer to restricted funds	-	(46,195)	-	(46,195)
	<hr/>	<hr/>	<hr/>	<hr/>
Closing funds	59,197	1,474,731	63,990	1,597,918
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Designated funds**

<b>2023</b>	<b>Opening funds</b>	<b>Income</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Closing funds</b>
	£	£	£	£	£
Building maintenance	18,990	-	-	-	<b>18,990</b>
Vintage Vibes	45,000	-	-	-	<b>45,000</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	63,990	-	-	-	<b>63,990</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2022	<b>Opening funds</b>	<b>Income</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Closing funds</b>
	£	£	£	£	£
Building maintenance	18,990	-	-	-	<b>18,990</b>
Vintage Vibes	45,000	-	-	-	<b>45,000</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	63,990	-	-	-	<b>63,990</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes** (continued)

**16 Restricted funds**

	Funds as at 31 March 2022 £	Income £	Expenditure £	Transfers £	Funds as at 31 March 2023 £
<b>2023</b>					
Big Lottery Fund - Vintage Vibes	21,932	49,608	(45,362)	-	26,178
Barclays	4,147	-	(4,147)	-	-
Vintage VIBES – other funding	44,649	31,599	(13,028)	-	63,220
Vintage Vibes - Edinburgh Community Mental Health and Wellbeing Fund	10,000	-	(10,000)	-	-
Vintage Vibes - Shared Pros	-	20,072	(15,276)	-	4,796
Stafford Trust	5,000	-	(5,000)	-	-
Leith Chooses	4,900	-	(3,368)	-	1,532
Inverleith Neighbourhood Partnership	5,000	-	-	(5,000)	-
Tesco Bank	56,453	976	(28,763)	(15,733)	12,933
Innovation Fund	8,794	-	-	-	8,794
TOR Christian Foundation	10,036	-	(5,778)	-	4,258
The Building Collaboration	118	-	(118)	-	-
Community Link	23,889	26,413	(50,302)	-	-
ADAPT and Thrive	7,636	-	(371)	(7,265)	-
Awards for All	8,326	-	(8,326)	-	-
City of Edinburgh Council Covid grants	5,750	-	(5,750)	-	-
Council Day Centre - 6COT	-	158,814	(159,950)	1,136	-
Council Day Centre - 6DNC	-	79,557	(118,331)	38,774	-
Council Day Centre - 6STB	-	145,577	(154,031)	8,454	-
Queensberry House	-	45,000	(12,146)	-	32,854
Nancie Masie Trust	-	5,000	-	-	5,000
Cruden	-	1,000	-	-	1,000
Tesco Community	-	1,000	-	-	1,000
WM Mann Foundation	-	1,000	(1,000)	-	-
Russell Trust	-	2,000	(2,000)	-	-
Community Engagement	-	-	(1,753)	1,753	-
9RST	-	-	(11,108)	11,108	-
Enliven	-	2,600	(2,043)	-	557
Creative Breaks	-	22,969	(6,177)	-	16,792
Seuz Funding	-	20,925	(3,677)	(17,248)	-
Workforce Wellbeing	-	8,405	(5,569)	(1,619)	1,217
Wolfson	-	49,200	-	(49,200)	-
EVOC	-	3,000	(3,136)	136	-
Aged Scotland	-	12,000	(734)	-	11,266
Voluntary Sector development	-	2,400	-	-	2,400
Inverleith Warm Space	-	2,817	(2,241)	-	576
National Lottery Cost of Living	-	53,386	-	-	53,386
	<u>216,630</u>	<u>745,318</u>	<u>(679,485)</u>	<u>(34,704)</u>	<u>247,759</u>

**Notes** (continued)

**16 Restricted funds**

	Funds as at 31 March 2021 £	Income £	Expenditure £	Transfers £	Funds as at 31 March 2022 £
<b>2022</b>					
Big Lottery Fund	26,590	41,368	(46,200)	-	21,758
Big Lottery Fund - Vintage VIBES	174	-	-	-	174
Barclays	60,125	-	(51,767)	(4,211)	4,147
Vintage VIBES – other funding	44,119	23,931	(23,401)	-	44,649
Vintage Vibes – 8VCO	-	18,626	(18,655)	29	-
Vintage Vibes - Edinburgh Community Mental Health and Wellbeing Fund	-	10,000	-	-	10,000
Almoner service	-	2,658	(2,658)	-	-
Stafford Trust	-	5,000	-	-	5,000
Leith Chooses	-	4,900	-	-	4,900
Inverleith Neighbourhood Partnership					
Celebrate Stockbridge	6,984	6,809	(14,487)	5,694	5,000
Tesco Bank	57,989	6,335	(7,871)	-	56,453
Foundation Scotland – Care for Carers	4,800	-	(4,800)	-	-
Innovation Fund	8,794	-	-	-	8,794
TOR Christian Foundation	14,800	-	(4,764)	-	10,036
The Building Collaboration	118	-	-	-	118
Community Link	14,088	46,207	(36,406)	-	23,889
EVOC winter grant	2,984	-	(2,984)	-	-
Vent Grants CEC	-	1,700	(2,513)	813	-
ADAPT and Thrive	-	44,852	(31,784)	(5,432)	7,636
Awards for All	-	10,000	(1,674)	-	8,326
Restricted Income Funds	-	357,118	(406,420)	49,302	-
Digital Boost	-	3,487	(3,487)	-	-
City of Edinburgh Council Covid grants	-	5,750	-	-	5,750
	<b>241,565</b>	<b>588,741</b>	<b>(659,871)</b>	<b>46,195</b>	<b>216,630</b>

Transfers from unrestricted funds to restricted funds represents income used to fund deficits on restricted services. Transfers from restricted funds to unrestricted funds represent funds fully spent in capital spending.

## **Notes** *(continued)*

### **16 Restricted funds** *(continued)*

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.

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.

Barclays – Barclays 100\*100 grant, to provide 14,000 hot meals delivered to clients in the North and East of Edinburgh and provide a check in service to ensure clients are safe.

Stafford Trust – Stafford Trust provided funding to provide hot meals in the community through the meals on wheels project.

Leith Chooses – Funding to provide hot meals for the community through the meals on wheels service, specifically in the Leith area of Edinburgh.

Inverleith Neighbourhood – Funding to provide planters and plants for the new garden area.

Tesco Bank – Corporate fundraising received in year and balance brought forward, funding to be spent in 2023 to 24 for the LifeCare recovery of services and upgrading of day centre.

Innovation Fund- Funding provided from Edinburgh City Council for additional day centre services supporting clients who are in long term hospital stay. Funding start date has been deferred due to pandemic.

TOR Christian Foundation- Funding to cover the cost of raising training levels of staff so that all staff providing registered care are SVQ level 3 qualified.

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

Adapt and Thrive – Funding for the renovation of CafeLife to enable the kitchen to provide 3 services, to improve the layout of the café following community consultation and the installation of outdoor seating area.

Awards for All – Funding for a new Community Hub Coordinator role within lifecare.

Edinburgh City Council – Covid grants for part closure of centre during pandemic.

Queensberry House – Grant to expand meals on wheels service in north and north east of Edinburgh, providing free meals to vulnerable adults in receipt of benefits.

Nancie Masse Trust – Funding to provide free meals to vulnerable adults in receipt of benefits.

Cruden - Funding to provide free meals to vulnerable adults in receipt of benefits.

Tesco Community - Funding to provide free meals to vulnerable adults in receipt of benefits.

WM Mann Foundation – Funding to provide free meals to vulnerable adults in receipt of benefits.

**Notes** (continued)

**16 Restricted funds** (continued)

Russell Trust - Funding to provide free meals to vulnerable adults in receipt of benefits.

Enliven – Provide activities materials for community activities in LifeCare centre and Community Café.

Creative Breaks – Funding to provide free classes for carer and those they care for in the LifeCare Centre to improve physical and mental health.

Suez Funding – Grant to improve the gallery area of the LifeCare centre with sprung vinyl flooring and redecoration.

Workforce Wellbeing Fund – grant to upgrade and create staff rooms for care staff in the LifeCare Centre.

Wolfson – Grant to upgrade the Dean Club day centre within the LifeCare centre and the addition of dedicated toilet area for clients.

EVOC Winter Grant- Funding to support outreach clients during winter pressure period.

Aged Scotland – Grant to pilot a hairdressing service for clients with diagnosis of Dementia in their home.

Voluntary Sector Development Fund – Funding for care staff to undertake SVQ qualifications.

Inverleith Warm Space- Funding to provide Warm Space for local community, providing Soup and Sandwiches and Activities at the weekend in the LifeCare Centre.

National Lottery Cost Of Living Fund – Grant to provide Meals on Wheels for Vulnerable adults in receipt of benefits, Continuation of the Warm space in the LifeCare Centre, funding for community Hub Coordinator and Volunteer Coordinator to support cost of living activities in the LifeCare centre.

**17 Reserves analysis**

	Unrestricted Funds			Restricted Funds £	Total per balance sheet £
	Revaluation Funds £	General Funds £	Designated Funds £		
2023					
Tangible fixed assets	-	446,592	-	-	446,592
<i>Fixed asset investments:</i>					
Property not readily realisable	-	300,000	-	-	300,000
UK listed investments	37,136	774,943	-	-	812,079
Other net assets	22,061	(189,928)	63,990	247,759	143,882
	<u>59,197</u>	<u>1,331,607</u>	<u>63,990</u>	<u>247,759</u>	<u>1,702,553</u>



**Notes** (continued)

**17 Reserves analysis** (continued)

	Unrestricted Funds			Restricted Funds £	Total per balance sheet £
	Revaluation Funds £	General Funds £	Designated Funds £		
2022					
Tangible fixed assets	-	372,145	-	-	372,145
<i>Fixed asset investments:</i>					
Property not readily realisable	-	300,000	-	-	300,000
UK listed investments	59,197	893,066	-	-	952,263
Other net assets	-	(90,480)	63,990	216,630	190,140
	<u>59,197</u>	<u>1,474,731</u>	<u>63,990</u>	<u>216,630</u>	<u>1,814,548</u>

**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:

	2023 £	2022 £
Not later than one year	-	-

**19 Related parties**

Donations of £9,000 (2022; £5,011) were received in the year from Lindsays LLP, a limited liability partnership of which one trustee is a member. £nil (2022; £nil) was outstanding at the year end.

Donations of £3,000 (2022; £nil) were received in the year from John Wilson Robert Christie Bequest Fund, a fund of which one trustee is a member. £nil (2022; £nil) was outstanding at the year end.

Consultancy fees of £nil (2022; £2,500) were paid in the year to Edinburgh Risk Management, a company owned by the parents of one Trustee. £nil (2022; £nil) was outstanding at the year end.

Fees of £195 (2022; £332) were paid in the year to Kirkmillan Consulting Ltd, a company that one of the Trustees is a director of. £nil (2022; £nil) was outstanding at the year end. Income of £116 (2022; £nil) was received in the year from Kirkmillan Consulting Ltd. £nil (2022; £nil) was outstanding at the year end.

**Notes** (continued)

**20 Net cash flow from operating activities**

	2023 £	2022 £
Net income/(expenditure)	(111,995)	(111,581)
Depreciation	40,283	25,030
Investment (gains)/losses	74,302	(31,553)
Investment income	(52,812)	(52,376)
(Increase)/decrease in debtors	(35,388)	4,080
(Increase)/decrease in stock	19	(63)
Increase/(decrease) in creditors	46,698	(9,422)
	<hr/>	<hr/>
Net cash used in operating activities	<b>(38,893)</b>	<b>(175,885)</b>
	<hr/> <hr/>	<hr/> <hr/>

**21 Net cash flow from operating activities**

	At start of year £	Cash flow £	At end of year £
Cash at bank and in hand	166,870	(45,943)	120,927
Cash held as part of investment portfolio	12,452	46	12,498
	<hr/>	<hr/>	<hr/>
Net funds	179,322	<b>(45,897)</b>	<b>133,425</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Statement of changes in net debt**

	At start of year £	Cash flow £	At end of year £
Cash at bank and in hand	166,870	(45,943)	120,927
Cash held as part of investment portfolio	12,452	46	12,498
Bank loan	(44,418)	11,014	(33,404)
	<hr/>	<hr/>	<hr/>
Net funds	134,904	<b>(34,883)</b>	<b>100,021</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**22 Financial Instruments**

	2023 £	2022 £
<b>Carrying amount of financial assets</b>		
Measured at fair value	1,112,079	1,252,263
	<hr/> <hr/>	<hr/> <hr/>

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.