



Waverley Care
making a positive difference

Financial Statement

For the year ended 31 March 2015



WAVERLEY CARE
(a company limited by guarantee)
Company Number SC253043
Charity Number SC036500

Financial Statements
For the year ended 31 March 2015

WAVERLEY CARE
(a company limited by guarantee)
Annual Report and Financial Statements
For the year ended 31 March 2015

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Patrons:

Sir Tom Farmer CBE KCSG
Mr Christopher Bell
Mr Christopher Richardson
Ms Sheena MacDonald
Ms Shirley Manson
Mr Alexander McCall Smith
Mr Anthony Alderson
Mr Bob Chilcott

Directors:

Mr David Taylor MBE
Mr Brian West
Mr Tom Wood QPM (resigned 18 November 2014)
Dr Alison Richardson
Ms Annabel Mowat (Vice chair)
Ms Annie Park (Chair)
Bishop John Armes
Ms Lesley Taylor
Mr George Walker (appointed 13 August 2014)
Mr Ian Arnot (appointed 13 August 2014)

Chief Executive and Secretary: Grant Sugden

Treasurer: Lesley Taylor

Accountants: Scott-Moncrieff, Exchange Place 3, Semple Street, Edinburgh EH3 8BL

Auditor: Chiene + Tait LLP, 61 Dublin Street, Edinburgh EH3 6NL

Solicitors: Law at Work, 19 Thistle Street, Edinburgh, EH2 1DF

Investment managers: Brewin Dolphin, Sixth Floor, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

Bankers: Bank of Scotland
The Royal Bank of Scotland plc.

Registered office:
3 Mansfield Place
Edinburgh
EH3 6NB

Telephone 0131 556 9710

Charity No: SC036500

WAVERLEY CARE
(a company limited by guarantee)
Directors' Report
For the year ended 31 March 2015

The directors have pleasure in presenting their report for the year ended 31 March 2015

Structure, governance and management

Governance

Waverley Care is a company limited by guarantee governed by its Memorandum and Articles of Association dated 27 February 2003. It is registered as a Scottish charity with OSCR. A Board of Directors, which must have a minimum of 3 members and a maximum of 12 members, governs the charity.

Directors are appointed at an AGM and can hold office for a three year term which is renewable for a further three years subject to Article 73 of the company's Articles of Association which details the process and eligibility requirements for appointing and electing Directors. The Board normally meets on a bi-monthly basis. A Finance Sub-Committee also meets regularly with the remit of scrutinising the charity's finances.

Directors are recruited to a skills based specification to ensure that the Board has a good balance of the skills and experience relevant to the work of the organisation.

All new Directors receive an induction which includes information on legal and financial responsibilities and during induction they meet other Directors and key employees. Directors are encouraged to attend appropriate internal and external training events to facilitate the undertaking of their role. The Board and Senior Management Team were very fortunate to benefit from the expertise of the Scottish Executive Team of Lloyds Banking Group through an event in November 2014 looking at areas including strategy, business planning, HR, communications and marketing.

A list of Directors is on page 2 of the report. In 2014, there were a number of changes in our board membership. After undertaking a board skills audit, we embarked on a formal campaign to recruit new Directors and we appointed two new Directors - George Walker and Ian Arnot - in August 2014. At our AGM in November 2014, our Chair Tom Wood resigned from the Board after six very successful years leading the organization. We were delighted that our Vice Chair Ann Park was appointed as the new Chair and Annabel Mowat as Vice Chair. We are confident that the organisation will go from strength to strength under their leadership.

Management

A Chief Executive is appointed by the charity's Directors to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the charity's Directors, for operational matters including finance, employment and service delivery activity. An experienced management team is in place to manage the organisation's diverse range of services and activities. The team comprises the Chief Executive, Deputy Chief Executive, Senior Managers of Milestone and Community Projects, Fundraising Manager, Senior Manager Finance and Project Managers in Glasgow and Inverness.

Risk Management

The Directors have a risk management strategy in place and the risk assessment process is designed to record the significant risks the charity faces, to allocate responsibility for their mitigation along with associated management actions and timescales and to record management processes that already mitigate the risk to some extent.

It is recognised that in pursuit of our normal activities we may choose to accept some risks and it is the responsibility of management to identify, report and control these risks. The Senior Management Team looks at this regularly and the risk assessment is reviewed on an annual basis by the Board of Directors. Our risk management matrix was reviewed in May 2015 at an event for board and senior managers facilitated by Lloyds Banking Group and we have been fortunate to have risk management experts from Lloyds supporting us to develop a new more fit for purpose risk template.

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Directors' Report (continued)
For the year ended 31 March 2015

Objectives and Activities

Waverley Care is Scotland's leading charity providing care and support to people living with HIV and Hepatitis C (HCV). As part of our work, we also strive to raise awareness of these conditions and prevent new infections. Our vision is that everyone living with HIV and HCV should receive the highest standards of care and support to enable them to lead healthy, independent and fulfilling lives free from stigma and prejudice. Our services will reflect these priorities but our resources will be available to a wider grouping.

Our work is aligned with the Scottish Government's Sexual Health and Blood Borne Virus (BBV) Framework and all our services focus on delivering the following key outcomes:

Reduced transmission of BBVs

Waverley Care works to reduce onward transmission of HIV and HCV through services that provide high quality information/advice on safer sex and risk reduction; peer education; an emphasis on positive prevention; raising awareness of testing and treatment and through support to access testing and treatment.

Reducing health inequalities

Waverley Care works to reduce inequalities around sexual health and blood borne viruses through targeting services towards key groups such as men who have sex with men (MSM), Africans and people with problem drug use.

Improving the quality of life of people affected by BBVs

Waverley Care works to ensure that individuals living with these conditions have access to high quality care that improves physical and mental health, promotes recovery, achieves independence and prevents hospital admissions. We work to support individuals with BBVs to enjoy healthy relationships and to access education, volunteering, employment, and leisure opportunities. We additionally aim to support children and families affected by HIV or HCV to enjoy positive supportive relationships that foster resilience.

Challenging stigma and discrimination

Work on tackling the stigma and discrimination associated with HIV and HCV is also a core activity of Waverley Care and is seen as vital in prevention work with all communities. We aim to raise awareness of these conditions through a range of means from one to one work to national campaigns.

These outcomes are achieved through services that include residential and a range of community based support and prevention initiatives including:

Milestone Residential and Outreach – respite care, step up care - preventing people from needing to be admitted to hospital, step down care – enabling people to be discharged from hospital sooner, treatment support, and outreach support to people with BBVs with complex health and social needs.

African Health Project – prevention and support services to Africans in Scotland at risk of or living with HIV.

Self Management Programme - life coaching and health promotion programmes for people living with BBVs and self management training for professionals.

Befriending Service – which supports people with BBVs to engage with services, including treatment, as well as wider resources and opportunities.

Children and Family Services – individual, group and family support to children living with or affected by HIV/HCV and their families and specific support to young people living with HIV.

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Directors' Report (continued)
For the year ended 31 March 2015

Objectives and Activities (continued)

Information and Advice services – national service providing information around issues such as welfare benefits.

HCV Prevention and Support Services – peer education, peer support, life coaching and outreach support to people living with or at risk of Hepatitis C.

HIV Always Hear – an educational and awareness raising resource targeted at schools, churches and the public in Scotland that aims to challenge HIV stigma.

We are a national organisation and over the last year we have operated in the following NHS board areas – Fife, Greater Glasgow and Clyde, Highland Argyll and Bute, Lanarkshire, Lothian and Tayside. We operate from five bases, Milestone and our Head Office in Edinburgh, as well as offices in Glasgow and Inverness and one worker based in shared offices in Fife.

2014 was a very special year for the organisation as we marked our 25th birthday with a range of celebrations and events. We held a Thanksgiving service at St Mary's Cathedral in Edinburgh in May 2014 to thank the diverse range of individuals, groups and churches who have supported the organisation since its inception 25 years ago. We also held a reception at the Scottish Parliament in October 2014 hosted by Sarah Boyack MSP which celebrated the staff of Waverley Care and was enjoyed by a range of supporters and professionals connected with our work.

Our 25th year also gave us an opportunity to reflect on the first 25 years of the charity's history and to remember the many service users who lost their lives to AIDS in the early days. We were able to celebrate the tremendous scientific and medical advances in both HIV and Hepatitis C and the ways in which the charity has evolved and adapted to the changing needs of people affected by the conditions.

The 25th birthday also provided opportunities for additional fundraising events which included a sponsored Walk along the West Highland Way, an LGBT Ceilidh and culminating in a 25th Birthday dinner in November 2014. These events couldn't have happened without the support of many dedicated volunteers who gave up their time to assist our fundraising team to organise and run the events.

We continued our long standing relationship with the Pleasance Theatre Trust and Off the Kerb and we are very grateful for the support they give us and the valuable funds raised during the Edinburgh Fringe. 2014 also saw us develop two new corporate relationships as we became Harvey Nichols' Charity of the Year and were also chosen by the Edinburgh Playhouse Theatre to be one of their two beneficiary charities.

The last year was one of both consolidation and development for the organisation. In April 2015 we began supporting people living with Hepatitis C in Argyll and Bute and we were delighted that NHS Highland funded us to extend our support services to such a rural and isolated community. We were also successful in winning a contract with NHS Highland to continue providing HIV prevention and support services across Highland and Argyll and Bute till 2018.

Milestone, our residential and outreach support centre for people with blood borne viruses and more complex health and social needs, underwent a major refurbishment during 2013-14 and re-opened in February 2014. Following a phased implementation the new services became fully operational by June 2014 and we have supported over 150 people through respite care, step up and step down care and Hepatitis C treatment support. These new enhanced services are successfully keeping people with BBVs and complex needs out of hospital. We have also supported a number of individuals to complete treatment for Hepatitis C and to successfully clear the virus.

Over the next year, we are undertaking a rigorous evaluation which will enable us to provide statutory and non statutory funders and other professionals with robust evidence of Milestone's impact. We are very grateful for the continued support of NHS Lothian and the City of Edinburgh Council for investing in our work and helping us provide such vital services to some of the most vulnerable and marginalised in our community.

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Directors' Report (continued)
For the year ended 31 March 2015

Objectives and Activities (continued)

Treatment advances mean that for the majority HIV is now a manageable long term condition, while new treatments for Hepatitis C will make it more likely that people can clear the virus. To help people with BBVs move forward in their lives, we have continued to roll out our Self Management Programmes and over the last year we have delivered life coaching programmes in Glasgow and Clyde, Lanarkshire, Lothian and Tayside. As well as offering the services to individuals with BBVs in the community we have also delivered programmes in Perth Prison.

We have extended our self management training for front line staff and over the last year we have trained addiction, sexual health and BBV staff in self management approaches. An extension of this work has been an evolving partnership with International HIV Partnerships who have funded us to train Turkish people living with HIV and their clinicians in life coaching techniques.

Preventing new HIV and HCV infections remains a key priority, as does encouraging people who may be at risk to access testing. Over the last year, we have offered testing services in Inverness, in our African Health Project in Lothian and in our Glasgow and Clyde HCV project. These services make testing more available and accessible particularly for people who face barriers in using clinical services. In Glasgow and Clyde, for example, we have delivered over 1600 peer education interventions since 2012 which aim to inform and educate people from 'at risk' communities about Hepatitis C. In the last year, we have also tested nearly 200 people for Hepatitis C in the Glasgow and Clyde area.

We have continued to engage men who have sex with men in Argyll and Bute and North Highland to prevent HIV infections through a range of activities including outreach, condom distribution and online engagement on social media and networking apps such as grindr.

Prevention work with Africans continues to be a high priority for Waverley Care and we continue to work closely with the African community, businesses and faith groups to ensure that Africans are informed about HIV, safer sex and testing. In November 2014, we held a very successful Faith and Health Conference in Glasgow that brought together our staff, health professionals and a range of key African faith leaders to discuss HIV support and prevention amongst Africans in Scotland. To better understand the needs of African men in Scotland who have sex with men we have undertaken research with this community, supported by funding from the Big Lottery, NHS Lothian and NHS Greater Glasgow and Clyde.

Waverley Care continues to challenge HIV related stigma through a range of means including our public anti-stigma work 'HIV Always Hear.' Always Hear began in 2012 and took a collection of real life experiences of people living with HIV in Scotland and created films of four of the stories along with factual resources. The resource provides the public, secondary school pupils and church congregations with materials tailor-made to each of these audiences that raise awareness about HIV. We have also begun developing a resource to target stigma amongst health professionals and in November 2014 we published a report detailing the healthcare experiences of people living with HIV.

Alongside this we ran World Aids Day community gatherings in Dundee, Edinburgh, Galashiels, and Inverness and we were a key partner in World Hepatitis Day events which included a campaign called 'Ever Injected, Get Tested' alongside other sector partners. We also participated in wider developments in the field that included a group developing resources for professionals and the public to support the introduction of HIV self testing.

We couldn't achieve such significant results without the high quality, committed staff who work for the organisation. We continue to invest in staff development to ensure that all staff are skilled and competent in the performance of their duties. This includes four staff development days for all practice staff, attendance at external conferences and the development of new supervision, training and development plans. We have also begun preparing for the Investors in People award which will further enhance our leadership, development and HR practices.

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Directors' Report (continued)
For the year ended 31 March 2015

Summary of Significant Achievements:

- We celebrated our 25th birthday year and used this significant landmark to raise additional funds, thank supporters and increase awareness of the vital work we do.
- Waverley Care Milestone is now offering an enhanced menu of services to support people with HIV and Hepatitis C who have the most complex needs.
- We began providing support to people living with Hepatitis C in Argyll and Bute.
- We were awarded a further contract with NHS Highland to deliver HIV prevention and support services across the health board area.
- We raised awareness of African men who have sex with men and the healthcare experiences of people living with HIV through conducting research.
- We continued to develop testing services across Highland, Greater Glasgow and Clyde and Lothian.

Financial Review

Our deficit on activities for the year excluding pension adjustments is £90,287 (2014: £76,803). This is a good result in conditions which continue to be challenging for charities. As in previous years we took a cautious approach to expenditure during the year. The 25th birthday provided a tremendous platform for fundraising and our fundraising team were able to meet a very ambitious target. This is a tremendous effort by our fundraising team and we extend a very special thank you to the people and organisations that have supported us over the year.

We have continued to ensure that the charity has a clear and robust approach to financial planning, income generation and financial control through the development of a financial strategy.

The key components of this strategy include:

- Preparation of financial projections to support our objectives and activities.
- Accurate costing of all projects and the ongoing review of actual results against budget.
- The review and maintenance of a reserves policy in line with best practice.
- A well defined fundraising strategy focused on building and strengthening our relationships with existing funders and supporters as well as identifying new ones.
- Regular review by the Board of the key risks affecting the ongoing viability of the charity.
- Ensuring that we identify and manage key risks on a timely basis.

While our balance sheet, excluding the pension liability, remains strong, our share of the Lothian Pension Fund deficit has increased significantly and is a source of concern to the Directors who have resolved to review pension provision and investigate means of mitigating the risk involved.

In reviewing the financial performance of the charity, we note that 2014/15 was a positive year in terms of growing income for service delivery activities. In comparing the year with 2013/14, it is important to note that in 2013/14 we received significant one off grants for the refurbishment of Milestone.

The economic climate remains challenging for charities, particularly in relation to public sector funding, and we continue to work hard to diversify income, as well as anticipate and manage financial risks. Our activities supporting those affected by HIV and HCV remain critical and we will continue to work with our key funders to ensure we have sufficient funding to continue this vital work.

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Directors' Report (continued)
For the year ended 31 March 2015

Principal Funding Sources

The principal funding sources for the charity are by way of grant and contract income from the City of Edinburgh Council, NHS Fife, NHS Highland, NHS Lanarkshire, NHS Lothian, NHS Tayside, The Scottish Government and the councils of West Lothian and Midlothian. In 2014/15 the charity also received voluntary income from a large number of charitable trusts and companies including AbbVie, BBC Children in Need, Bank of Scotland Foundation, the BIG Lottery, Church of Scotland HIV Project, Diocese of Edinburgh (Scottish Episcopal Church), Elizabeth Taylor AIDS Foundation, Gilead, John Menzies plc, MAC AIDS Fund, The Alliance, The Monument Trust, The Henry Smith Charity, The R S Macdonald Charitable Trust, The Robertson Trust, Voluntary Action Fund and many others. Waverley Care is also grateful for the continuing support of The Pleasance, Off the Kerb and Open Mic Productions Ltd.

Reserves and Designated Funds Policy

The Directors' long term aim is to ensure that the charity builds up general funds equivalent to not less than six months' running expenses for the total organisation. At current levels of activity that is equivalent to £700,000. The Directors consider that this level of reserves is one which is prudent considering the level and extent of risks associated with funding streams which the charity is required to manage. In the year under review free reserves, excluding the pension reserve stood at £31,496 at the year end. In addition the organisation has designated funds totaling £1,136,257 which have been designated by the Directors to support the charity's strategic objectives and key areas of activities. Over the next year, the Directors will review the designation of these funds and consider whether some of them could be undesignated and more appropriately included as free reserves.

Plans for Future Periods

The charity plans to continue the activities outlined above in the forthcoming year subject to satisfactory funding arrangements. An ongoing financial concern for the charity, as for the charitable sector generally, is its reliance on short term and uncertain funding sources, the introduction of tendering for contracts, and the ongoing poor economic outlook. This means that fundraising in support of existing services and new developments will remain a key priority for the charity. The longer term effects of the economic downturn are likely to include not just less funding available from the public sector but the reduction of funding from the corporate sector and from individual donors too.

The charity will seek funds in support of the following areas of activities:

- Project funding - where the current income associated with a project is insufficient to cover the total cost and where the project is required to demonstrate that action is in hand to address this position.
- Quality assurance and sustainability – the charity will continue to pursue opportunities to generate funds to cover organisational costs. These include the costs of central support systems such as finance, payroll, HR and IT support, the costs of supervision, management, quality assurance and regulatory costs. The charity has the strategic aim of covering all these costs through contributions from project funding. It recognises that this may not always be possible and therefore will seek to meet funding gaps by applications for organisational costs where appropriate.
- Development and innovation – the charity wishes to retain and further develop the capacity to be innovative in identifying new service needs and piloting projects to support these. This will require an element of funding to be available to respond to policy change and undertake assessments of need.
- Communications – to support fundraising and also the delivery of projects - ensuring those needing to access, and those referring people to, our support and testing services are aware of them. Also raising the profile of HIV and Hepatitis C and challenging stigma.

In seeking to support these areas of our work we will target the following potential sources of funds:

- Fundraising events
- Corporate and individual donors
- Charitable trusts and foundations

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Directors' Report (continued)
For the year ended 31 March 2015

Investment Policy

The directors employ Brewin Dolphin, stockbrokers to manage the portfolio on an advisory basis. The objective is one of a balanced portfolio subject to a medium degree of risk. There are no specific investment restrictions or limitations applied to the portfolio. At a time of uncertainty on the stock market there is no target return set but the value of the portfolio is benchmarked against the FTSE All Share Index.

Taxation

The charity is recognised as such by the HM Revenue and Customs for taxation purposes. As a result there is no liability to taxation on any of its income.

Directors' Responsibilities

The Directors (who are also the trustees of Waverley Care for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with The Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures as disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and The Charities and Trustees Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charity and therefore taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

In so far as the directors are aware:

- There is no relevant audit information of which the charity's auditor is unaware, and
- Each Director has taken all the steps he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information

WAVERLEY CARE
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Directors' Report (continued)
For the year ended 31 March 2015

Auditor

Chiene + Tait LLP were appointed as auditor at the AGM in November 2014.

The Directors would like to thank all those who gave donations to further the work of the charity.

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board of Directors on 29/9/2015 and signed on their behalf by:



..... Chair of the Board of Directors
Ms Annie Park



WAVERLEY CARE
(a company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WAVERLEY CARE (a company limited by guarantee)**

We have audited the financial statements of Waverley Care for the year ended 31 March 2015 which comprise the Income and Expenditure Account, the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditor

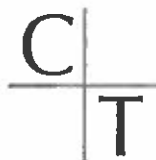
As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



WAVERLEY CARE
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WAVERLEY CARE (a company limited by guarantee)**

Opinion on financial statements

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 2015, 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 (applicable to smaller entities); 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).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Malcolm A Beveridge

Malcolm Beveridge BA CA (Senior Statutory Auditor)
For and on behalf of Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

14 October 2015

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

WAVERLEY CARE
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Income and Expenditure Account
For the year ended 31 March 2015

	Notes	2015		2014	
		£	£	£	£
Income					
Voluntary income	2		437,652		382,019
Investment income	3		66,289		32,341
Income from charitable activities			2,138,649		2,028,980
Amortisation of capital grants			24,500		24,500
Total income			<u>2,667,090</u>		<u>2,467,840</u>
Utilised thus:-					
Costs of generating funds	5	(186,558)		(168,368)	
Charitable expenditure	5	(2,617,328)		(2,418,879)	
Governance costs	5	(19,234)		(22,567)	
			<u>(2,823,120)</u>		<u>(2,609,814)</u>
			(156,030)		(141,974)
Realised gain/(loss) on sale of investments			261		(311)
(Deficit) for the year			<u>(155,769)</u>		<u>(142,285)</u>
Transfer from capital reserve	15		65,482		65,482
(Deficit) on activities for the year			<u>(90,287)</u>		<u>(76,803)</u>
Actuarial movement in pension scheme	17a		(849,000)		(128,000)
(Deficit) on activities for the year including pension adjustments			<u>(939,287)</u>		<u>(204,803)</u>

All results relate to continuing activities.

All other gains and losses and actuarial losses on the defined benefit pension schemes, are disclosed in the Statement of Financial Activities.

Reconciliation of (deficit) for the year to total funds

	2015	2014
	£	£
(Deficit) on activities for the year including pension adjustments	(939,287)	(204,803)
Un-amortised capital grants received in the year	-	367,500
Amortisation of grants brought forward	(89,982)	(65,482)
Gains on investments	23,972	4,425
Total funds brought forward	<u>1,222,329</u>	<u>1,120,689</u>
Total funds carried forward	<u>12-14</u> <u>217,032</u>	<u>1,222,329</u>

The notes on pages 16 to 27 form part of these financial statements.

WAVERLEY CARE
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Statement of Financial Activities
For the year ended 31 March 2015

		Unrestricted General £	Designated Funds £	Restricted Funds £	Capital Reserve £	2015 Total £	2014 Total £
Incoming resources							
Incoming resources from generated funds:							
- Voluntary income	2	431,158	-	6,494	-	437,652	624,019
- Investment income	3	66,289	-	-	-	66,289	32,341
Incoming resources from charitable activities	4	1,533,062	8,728	596,859	-	2,138,649	2,178,980
Total Incoming resources		<u>2,030,509</u>	<u>8,728</u>	<u>603,353</u>	<u>-</u>	<u>2,642,590</u>	<u>2,835,340</u>
Resources expended							
Cost of generating funds:							
Costs of generating voluntary income							
Charitable activities	5	(1,810,057)	(78,166)	(663,623)	(65,482)	(2,617,328)	(2,418,879)
Governance costs	5	(19,234)	-	-	-	(19,234)	(22,567)
Total resources expended		<u>(2,015,849)</u>	<u>(78,166)</u>	<u>(663,623)</u>	<u>(65,482)</u>	<u>(2,823,120)</u>	<u>(2,609,814)</u>
Net (outgoing)/incoming resources before transfers		14,660	(69,438)	(60,270)	(65,482)	(180,530)	225,526
Transfers							
Gross transfers (notes 12 to 14)		(256,071)	271,306	(15,235)	-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		(241,411)	201,868	(75,505)	(65,482)	(180,530)	225,526
Other recognised gains/(losses)							
Realised gain/(loss) on sale of investments		-	261	-	-	261	(311)
Unrealised gain on investments 8		-	23,972	-	-	23,972	4,425
Actuarial (losses) on delined benefit pension schemes 17a		(849,000)	-	-	-	(849,000)	(128,000)
Net movement in funds		<u>(1,090,411)</u>	<u>226,101</u>	<u>(75,505)</u>	<u>(65,482)</u>	<u>(1,005,297)</u>	<u>101,640</u>
Reconciliation of funds							
Balance at 1 April 2014		59,907	910,156	186,784	65,482	1,222,329	1,120,689
Balance at 31 March 2015	16	<u>(1,030,504)</u>	<u>1,136,257</u>	<u>111,279</u>	<u>-</u>	<u>217,032</u>	<u>1,222,329</u>

All results of the company relate to continuing activities.

The notes on pages 16 to 27 form part of these financial statements.

WAVERLEY CARE
(a company limited by guarantee)
Balance Sheet
As at 31 March 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible Assets	7		420,621		502,261
Investments	8		347,385		117,900
			<u>768,006</u>		<u>620,161</u>
Current assets					
Debtors	9	270,661		154,790	
Cash at bank and in hand		393,495		791,862	
		<u>664,156</u>		<u>946,652</u>	
Creditors: amounts falling due within one year	10	<u>(153,130)</u>		<u>(158,484)</u>	
Net current assets			<u>511,026</u>		<u>788,168</u>
Net assets excluding pension liability			1,279,032		1,408,329
Pension liability	17a		<u>(1,062,000)</u>		<u>(186,000)</u>
Net assets including pension liability			<u>217,032</u>		<u>1,222,329</u>
Funds					
Unrestricted funds					
- General	12		31,496		245,907
- Pension reserve	12		(1,062,000)		(186,000)
- Designated	13		1,136,257		910,156
Restricted funds	14		111,279		186,784
Capital reserve	15		-		65,482
			<u>217,032</u>		<u>1,222,329</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were authorised for issue by the Directors on 29/9/2015 and signed on their behalf by

 Chair
Ms Annie Park

Company number: SC253043

The notes on pages 16 to 27 form part of these financial statements.

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements
For the year ended 31 March 2015

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with The Financial Reporting Standard for Smaller Entities (effective April 2008), with The Charities Accounts (Scotland) Regulations 2006 (as amended) and Statement of Recommended Practice Accounting and Reporting by Charities (2005).

Going concern

The charity depends on grant funding from outside sources to finance its activities and has committed funding until March 2016. The Board has fully considered the going concern position of the charity at the date of approving the financial statements. As a consequence the Board has prepared the financial statements on the going concern basis.

Cashflow statement

The charity qualifies as small under the provisions of FRS 1 and accordingly has not presented a cash flow statement.

Grants

Revenue grants are credited to the income and expenditure account in the year to which they relate. Any income which relates to a period outwith the one under review is treated as deferred.

Fundraising and donations

Fundraising and donations income is normally credited in the year in which it is receivable, except in the case of events where net income is recognised when the results are finally ascertained.

Investments and investment income

Investments have been included in the balance sheet at market value. Realised gains and losses are recognised in the Income and Expenditure account in the period to which they relate. Unrealised gains and losses are recognised in The Statement of Financial Activities in the period to which they relate.

Income from investments is credited to the income and expenditure account in the year in which it is receivable.

Fixed assets

Tangible fixed assets are stated at cost less depreciation. The rates of depreciation are calculated so as to write off the cost less residual value of each asset evenly over its expected useful life as follows:-

Milestone House	Over the life of the lease (extended to 2030)
Computer equipment	4 years
Furniture and equipment	5 years

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

1. Accounting policies – continued

Operating leases

Rentals payable under operating leases are charged to the SOFA as incurred over the term of the lease.

Pensions

Defined benefit schemes:-

The charity participates in two multi-employer defined benefit schemes in respect of its employees. The assets of the schemes are held in external funds managed by professional investment managers.

Where the charity's share of the assets and liabilities of a multi-employer scheme can be separately identified, in accordance with 'FRS 17 - Retirement Benefits', the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the Statement of Financial Activities. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The difference between the actual and expected returns on assets during the year, including changes in the actuarial assumptions, is also recognised in the Statement of Financial Activities.

The share of a scheme deficit is recognised in full on the balance sheet and its share of a surplus is recognised to the extent that it can be recovered.

Where the charity's share of the assets and liabilities of a multi-employer scheme cannot be separately identified, contributions payable are charged to the income and expenditure account in the period to which they relate.

VAT

The charity is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Allocation of expenditure

Where possible, expenditure has been charged direct to costs of generating income, charitable expenditure or governance costs. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Cost of generating funds includes all costs associated with generating incoming resources from all sources other than from undertaking charitable activities.
- 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.

Funds

The nature and purpose of funds held are contained in notes 12 to 15.

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

2. Voluntary income

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2015 £	2014 £
Donations/covenants	198,742	-	6,494	205,236	190,138
Donations in kind	15,000	-	-	15,000	242,000
Events	217,416	-	-	217,416	191,881
	<u>431,158</u>	<u>-</u>	<u>6,494</u>	<u>437,652</u>	<u>624,019</u>

3. Investment income

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2015 £	2014 £
Interest received	2,442	-	-	2,442	4,156
Investment income	7,847	-	-	7,847	4,185
Net return on pension scheme asset	56,000	-	-	56,000	24,000
	<u>66,289</u>	<u>-</u>	<u>-</u>	<u>66,289</u>	<u>32,341</u>

4. Incoming resources from charitable activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2015 £	2014 £
Grants	1,346,034	8,728	558,654	1,913,416	2,126,061
Fees	7,381	-	-	7,381	10,916
Other	179,647	-	38,205	217,852	42,003
	<u>1,533,062</u>	<u>8,728</u>	<u>596,859</u>	<u>2,138,649</u>	<u>2,178,980</u>

5. Resources expended

	Charitable activities				Total 2015 £	Total 2014 £
	Cost of Generating Funds £	Residential & Day care £	Community Services £	Governance costs £		
Staff costs	128,229	841,651	1,104,555	-	2,074,435	1,764,490
Pension adjustment	2,594	35,016	45,390	-	83,000	29,000
Property costs	-	89,762	97,857	-	187,619	203,076
Activities	26,917	71,292	97,636	-	195,845	227,487
Administration	28,818	62,859	52,228	13,408	157,313	264,083
Audit fee	-	-	-	5,826	5,826	5,514
Depreciation	-	69,792	49,290	-	119,082	115,689
Loss on disposal of assets	-	-	-	-	-	475
	<u>186,558</u>	<u>1,170,372</u>	<u>1,446,956</u>	<u>19,234</u>	<u>2,823,120</u>	<u>2,609,814</u>

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements – continued
For the year ended 31 March 2015

6. Staff numbers and costs		2015	2014
		£	£
	Wages and salaries	1,636,303	1,416,434
	Social Security costs	112,357	103,155
	Pension costs – actual	251,817	192,972
	Pension costs – FRS 17 adjustment	83,000	29,000
		<u>2,083,477</u>	<u>1,741,561</u>
		<u>2,083,477</u>	<u>1,741,561</u>
	The average monthly number of employees during the year was:-	Number	Number
	Fundraising	4	4
	Administration	6	7
	Charitable activities	59	50
		<u>69</u>	<u>61</u>
		<u>69</u>	<u>61</u>

No employees earned at a rate of over £60,000 per annum.
The Directors received no remuneration or expenses (2014 – £nil).

7. Fixed assets

	Milestone House £	Computer equipment £	Furniture & equipment £	Total £
Cost				
At 1 April 2014	2,062,700	54,783	49,543	2,167,026
Additions during the year	19,516	17,926	-	37,442
	<u>2,082,216</u>	<u>72,709</u>	<u>49,543</u>	<u>2,204,468</u>
	<u>2,082,216</u>	<u>72,709</u>	<u>49,543</u>	<u>2,204,468</u>
Depreciation				
At 1 April 2014	1,598,165	34,969	31,631	1,664,765
Charge for year	93,305	18,178	7,599	119,082
	<u>1,691,470</u>	<u>53,147</u>	<u>39,230</u>	<u>1,783,847</u>
	<u>1,691,470</u>	<u>53,147</u>	<u>39,230</u>	<u>1,783,847</u>
Net book value				
At 31 March 2015	390,746	19,562	10,313	420,621
	<u>390,746</u>	<u>19,562</u>	<u>10,313</u>	<u>420,621</u>
	<u>390,746</u>	<u>19,562</u>	<u>10,313</u>	<u>420,621</u>
Net book value				
At 31 March 2014	464,535	19,814	17,912	502,261
	<u>464,535</u>	<u>19,814</u>	<u>17,912</u>	<u>502,261</u>
	<u>464,535</u>	<u>19,814</u>	<u>17,912</u>	<u>502,261</u>

The ground on which Milestone House is built is leased from Lothian Health Board under a 25 year lease which commenced in March 1990. This was extended in 2014 for a further 16 years. As a result, the property is not a realisable asset.

All the assets are used for direct charitable purposes.

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

8. Investments	2015	2014
	£	£
Market value on 1 April 2014	117,900	110,712
Increase/(decrease) in cash held	7,283	(2,154)
Disposal at opening market value	(4,167)	(15,982)
Additions at cost	202,397	20,899
Net unrealised investment gains	23,972	4,425
	<hr/>	<hr/>
Market value at 31 March 2015	347,385	117,900
	<hr/> <hr/>	<hr/> <hr/>
Cost	302,840	95,708
	<hr/> <hr/>	<hr/> <hr/>
Included in investments in 2015 is £9,209 (2014 - £1,926) held as cash.		
The portfolio is structured as follows:-		
	Over 5%	Total %
UK Bonds		13.8%
Global Investment Funds		7.3%
UK Equities		45.8%
Artemis Fund Managers	6.0%	
CF Miton UK	6.0%	
Threadneedle Inv UK	6.2%	
Capita Financial Managers Trojan Income	6.3%	
Edinburgh Investment Trust Ord 25p	6.1%	
North American Equities		19.3%
Findlay Park Funds	7.4%	
JP Morgan AM UK Ltd	7.3%	
European Equities		4.2%
Asia Pacific Equities		2.0%
Emerging Market Equities		1.7%
Property		3.0%
Other investments		2.9%
9. Debtors	2015	2014
	£	£
Income tax recoverable	8,085	7,048
Prepayments and accrued income	262,576	147,742
	<hr/>	<hr/>
	270,661	154,790
	<hr/> <hr/>	<hr/> <hr/>

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

10. Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	19,089	24,316
Social Security and other taxes	33,810	30,763
Other creditors	31,621	37,462
Accruals	13,256	13,330
Deferred income	55,354	52,613
	<u>153,130</u>	<u>158,484</u>

Deferred income comprises of Monument Trust £30,000, MAC AIDS £12,000, Children In Need grant £7,717, Harvey Nichols £3,637 and Ward Family Trust £2,000. This income was received for the year ending 31 March 2016.

11. Leasing commitments

Operating leases

The charity's annual commitments for rental payments under non-cancellable operating leases at 31 March 2015 are as set out below:

	2015	2014
	£	£
	Land and buildings	Land and buildings
Operating leases which expire:		
Within one year	14,167	15,000
Between two and five years	7,500	34,000
Over five years	34,250	32,500
	<u>55,917</u>	<u>81,500</u>

12. General funds

	Balance at 1 April 2014 £	Incoming resources £	Resources expended £	Other recognised Gains/(losses) £	Transfers £	Balance at 31 March 2015 £
General fund	245,907	1,974,509	(1,932,849)	-	(256,071)	31,496
Pension reserve	(186,000)	56,000	(83,000)	(849,000)	-	(1,062,000)
	<u>59,907</u>	<u>2,030,509</u>	<u>(2,015,849)</u>	<u>(849,000)</u>	<u>(256,071)</u>	<u>(1,030,504)</u>

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

13. Designated funds

Funds set aside by the directors for specific purposes:

	Balance at 1 April 2014 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2015 £
External activities	10,180	-	(5,790)	5,610	10,000
Salary reserve	80,000	-	-	-	80,000
Milestone maintenance	72,749	-	-	-	72,749
Buddy service	5,000	-	(5,000)	5,000	5,000
Mansfield Place development	10,000	-	(7,298)	7,298	10,000
Organisational development	103,434	-	-	-	103,434
Baptie fund	124,282	24,233	-	198,870	347,385
HQ accommodation	12,000	-	(8,125)	8,125	12,000
IT development	30,000	-	(4,482)	-	25,518
Training & development	10,000	-	(6,539)	6,539	10,000
Fundraising ribbon fund	5,000	-	(1,303)	1,303	5,000
Service user database	8,000	-	(7,100)	7,100	8,000
Fundraising development	20,000	-	-	-	20,000
West of Scotland Development	50,000	-	-	-	50,000
Spiritual & pastoral care	2,000	-	-	-	2,000
Gay men's work	2,115	8,728	(5,744)	(5,099)	-
Milestone House refurbishment	365,396	-	(26,785)	36,560	375,171
	<u>910,156</u>	<u>32,961</u>	<u>(78,166)</u>	<u>271,306</u>	<u>1,136,257</u>

Transfers to and from designated funds have been made based on the directors assessment of each project's financial requirement at the year-end.

External activities – The fund exists to support staff attendances at conferences.

Salary reserve – This fund is to safeguard and support potential redundancies and other staffing issues.

Milestone maintenance – This is to fund the upkeep of the Milestone buildings, roof and estates.

Buddy service – This fund is to support development of the befriending service.

Mansfield Place development – This fund is to support premises requirements of Community Projects teams as well as Fundraising and head Office.

Organisational development – This is to support on-going organisational growth and service delivery in accordance with Waverley Care strategic objectives. This is reviewed annually.

Baptie fund – This is an investment fund based on Baptie bequest. The balance fluctuates annually according to performance of investments.

HQ accommodation – This fund is to support HQ rental costs.

IT development – This fund supports the ongoing upgrade of IT resources.

Training & development – This fund supports ongoing staff development.

Fundraising ribbon fund – This fund supports the on-going annual purchase of tartan ribbon/pins.

Service user database – This fund is to provide on-going technical support for the database.

Fundraising development – This fund is to provide development monies for new fundraising and social enterprises.

West of Scotland development – This fund supports the on-going development and growth of services in the West.

Spiritual and pastoral care – This fund is to support further development of service.

Gay men's work – This fund is to support the development of work with gay men.

Milestone House refurbishment – During 2013/14 the charity received grants from NHS Lothian and CEC to assist with the refurbishment of Milestone House. The refurbishment work has now been completed and the restriction discharged. The net book value has been transferred to a designated fund.

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

14. Restricted funds

Funds to be applied for the purposes specified by the donor

	Balance at 1 April 2014	Incoming resources	Resources expended	Transfers	Balance at 31 March 2015
	£	£	£	£	£
Arts project	3,937	11,450	(7,283)	(4,606)	3,498
African Health Project (Incl. VAF)	78,605	361,951	(427,706)	25,000	37,850
Self-Management Programme	12,630	159,167	(167,354)	-	4,443
Postcode Lottery	1,698	-	(1,802)	104	-
Children & Families	2,870	51,291	(51,291)	(2,870)	-
HIV Always Hear project	76,860	-	(3,291)	(26,975)	46,594
Sexual Health	1,184	-	-	-	1,184
Elizabeth Taylor hardship fund	-	6,494	-	-	6,494
Website development	9,000	10,000	(4,896)	(5,888)	8,216
Youth Philanthropy Initiative	-	3,000	-	-	3,000
	<u>186,784</u>	<u>603,353</u>	<u>(663,623)</u>	<u>(15,235)</u>	<u>111,279</u>

Restricted fund transfers include project charges and management fees agreed in original budgets.

Arts project – The fund exists to provide support for art based activities within our residential and community projects in Edinburgh.

African Health project (Incl. VAF) – This fund is to support prevention and support activities for the African community in Scotland who are at risk of or living with HIV. As part of this fund £64,239 was received from Big Lottery and £30,000 from Volunteer Action Fund.

Self-Management programme – This is to support people with self-management of conditions.

Postcode Lottery – This is funding to support some improvements to our head office.

Children & Families – This fund is to support projects for children and families living with or affected by HIV and/or Hepatitis C.

HIV Always Hear project – This fund supports national HIV awareness targeting secondary schools and churches. Transfers in this fund represent contributions to general overheads in accordance with the grant application.

Sexual Health - For delivery of sexual health promotional materials in partnership with the NHS.

Elizabeth Taylor Hardship – This fund supports individuals with HIV experiencing poverty, hardship or destitution.

Website development – This fund is for the refresh of Waverley Care's website. As part of this fund £10,000 was received from Big Lottery.

Youth Philanthropy Initiative – The charity received funding from Currie High School for a Milestone Eco Shelter.

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

15. Capital reserve	2015 £	2014 £
Balance at 1 April 2014	65,482	130,964
Released against depreciation on fixed assets	(65,482)	(65,482)
	-	65,482
Balance at 31 March 2015	-	65,482

The capital reserve relates to grants and donations received in connection with the purchase of the charity's fixed assets.

16. Analysis of net assets among funds

	Unrestricted General £	Designated funds £	Restricted funds £	Capital Reserve £	Total Funds £
Fixed assets	32,006	388,615	-	-	420,621
Investments	-	347,385	-	-	347,385
Net current assets	(510)	400,257	111,279	-	511,026
Pension reserve	(1,062,000)	-	-	-	(1,062,000)
	(1,030,504)	1,136,257	111,279	-	217,032
	(1,030,504)	1,136,257	111,279	-	217,032

17. Pension schemes

The charity participates in two pension schemes, both defined benefit schemes, which provide benefits based on final pensionable pay. In both cases the assets of the schemes are held separately from those of the charity in independently administered funds.

The details of the schemes are:

a) Defined benefit scheme – Lothian Pension Fund

The charity operates a defined benefit scheme in the UK that provides pensions linked to final salaries. A valuation of the pension fund is carried out triennially. Liabilities are valued on an actuarial basis using the projected unit method, which assess the future liabilities of the fund discounted to their present value.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

a) Defined benefit scheme – Lothian Pension Fund – continued

The principal actuarial assumptions used by the actuary are as follows:

	31 March 2015 % pa	31 March 2014 % pa
Rate of increase in salaries	4.3%	5.1%
Rate of increase in pensions payment	2.4%	2.8%
Expected return on assets	3.2%	6.1%
Discount rate	3.2%	4.3%
Inflation assumption	1.0%	1.0%

Life expectancy is based on the PFA92 and PMA92 'year of birth' tables. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current pensioners	22.1 years	23.7 years
Future pensioners	24.2 years	26.3 years

The major categories of plan assets as a percentage of total plan assets were:

	31 March 2015 %	31 March 2014 %
Equities	69%	77%
Bonds	17%	9%
Property	8%	8%
Cash	6%	6%

Analysis of the amounts recognised in the balance sheet

	2015 £	2014 £
Fair value of employer assets	4,212,000	3,572,000
Present value of funded liabilities	(5,274,000)	(3,758,000)
Net liability	<u>(1,062,000)</u>	<u>(186,000)</u>

Analysis of amounts recognised in the income and expenditure account

	2015 £	2014 £
Current service cost	319,000	216,000
Interest cost	168,000	151,000
Expected return on employer assets	(224,000)	(175,000)
Total	<u>263,000</u>	<u>192,000</u>

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

a) Defined benefit scheme – Lothian Pension Fund – continued

Total return on plan assets	<u>630,000</u>	<u>197,000</u>
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In the current year Hymans Robertson LLP carried out a projected valuation at 31 March 2015 based on the last formal valuation carried out as at 31 March 2011. The projected valuation reported a pension liability of £1,062,000. In the prior year, ended 31 March 2014, the projected valuation reported a pension liability of £186,000.

Movement in the fair value of employer assets during the year

	2015 £	2014 £
Opening fair value of employer assets	3,572,000	3,218,000
Movement in year:		
Expected return on assets	224,000	175,000
Contributions by members	70,000	53,000
Contributions by employer	236,000	187,000
Actuarial gains	214,000	21,000
Benefits paid	(104,000)	(82,000)
Closing fair value of employer assets	<u>4,212,000</u>	<u>3,572,000</u>

Movement in the present value of the defined benefit obligation during the year

	2015 £	2014 £
Opening defined benefit obligation	3,758,000	3,271,000
Movement in year:		
Current service cost	319,000	216,000
Interest cost	168,000	151,000
Contributions by members	70,000	53,000
Actuarial gains	1,063,000	149,000
Estimated benefits paid	(104,000)	(82,000)
Closing defined benefit obligation	<u>5,274,000</u>	<u>3,758,000</u>

Analysis of amounts recognised in the Statement of Financial Activities

	2015 £	2014 £
Actuarial losses recognised	<u>(849,000)</u>	<u>(128,000)</u>
Cumulative actuarial losses	<u>(1,340,000)</u>	<u>(491,000)</u>

WAVERLEY CARE
(a company limited by guarantee)
Notes to the Financial Statements– continued
For the year ended 31 March 2015

a) Defined benefit scheme – Lothian Pension Fund – continued

History of experience gains and losses	2015 £	2014 £	2013 £	2012 £	2011 £
Fair value of employer assets	4,212,000	3,572,000	3,217,000	2,627,000	2,451,000
Present value of defined benefit obligation	(5,274,000)	(3,758,000)	(3,270,000)	(2,627,000)	(2,451,000)
Deficit	(1,062,000)	(186,000)	(53,000)	-	-
Experience (losses)/gains on assets	214,000	21,000	265,000	(72,000)	(41,000)
Experience gains/(losses) on liabilities	(304,000)	1,000	3,000	68,000	-

The estimated employer's contribution for the year ended 31 March 2016 to its defined benefit pension plan is £280,000.

b) Defined benefit scheme – NHS Superannuation Scheme for Scotland

The second defined benefit scheme is administered by the Scottish Public Pensions Agency and provides benefits on final pensionable pay. Under Financial Reporting Standard 17 this is a multi-employer scheme and the contributions have been accounted for as if it were a defined contribution scheme as the assets of the scheme are not ring fenced for each employer.

Valuations are carried out every four years using the projected unit method. The most recent valuation was at 31 March 2012. The assumptions which had the most significant effect on the results of the valuation are those relating to expected pension longevity, age retirement and a reduction in assumed ill-health retirements.

The most recent valuation showed a shortfall of £1.4 billion was identified in the notional fund which will be repaid by a supplementary rate of 2.6% of employers' pension contributions for fifteen years from 1 April 2015. This contribution is included in the 14.9% employers' contribution rate.

The contribution of the Charity was 14.9% (2014: 14%). It will remain at 14.9% from 1 April 2015.

The pension charge for the year was £4,832 (2014: £3,881)

18. Commitments and contingent liabilities

There were no guarantees or contingent liabilities at the balance sheet date.