

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

COMPANY NUMBER: SC253043

CHARITY NUMBER: SC036500

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

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WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

COMPANY INFORMATION

Reference and Administrative details

Charity Number
SC036500

Company Number
SC253043

Registered Office and Principal Address

Waverley Care Milestone
113 Oxfangs Road North
Edinburgh, EH14 1EB

Directors and Trustees

Directors

Ms Fiona MacFarlane (Chair) (appointed 10 December 2020)
Mr Ian Arnot (Chair) (resigned 10 December 2020)
Mr Steven Naismith (Treasurer)
Mr Adam Knight (Vice Chair)
Mr Allister Short
Ms Ann Park (resigned 24 June 2021)
Mr Greg Flett
Mr Harry Dozier (appointed 22 April 2021)
Ms Jane Wright
Mr Kenny Napier (appointed 22 April 2021)
Mr Lambros Karasellos (appointed 22 April 2021)
Mr Lee Thorburn (resigned 10 December 2020)
The Rt Rev Dr John Armes (resigned 10 December 2020)
Mr Sam Abdulla (appointed 22 April 2021)

Secretary

Mr Grant Sugden

Chief Executive

Mr Grant Sugden

Head of Corporate Services

Ms Rachel Hughes

Patrons:

Sir Tom Farmer CBE KCSG

Mr Christopher Bell

Mr Christopher Richardson

Ms Sheena MacDonald
Mr Alexander McCall Smith
Mr Anthony Alderson
Mr Bob Chilcott

Senior managers

Senior Manager East of Scotland – Mrs Elizabeth Marr
Senior Manager West of Scotland -Ms Claire Kofman
Senior Manager North and National Services – Ms Jo Sykes

Accountants

Azets
Exchange Place 3
Semple Street
Edinburgh EH3 8BL

Bankers

Bank of Scotland
20-22 Shandwick Place
Edinburgh EH2 4RN
Royal Bank of Scotland
30 Nicolson Street
Edinburgh EH8 9DL

Auditors

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

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors are pleased to present their annual Directors' report, together with the financial statements of the charity for the year ended 31 March 2021, which are also prepared to meet the requirements for a Directors' report and accounts for the purposes of the Companies Act 2006.

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

Chair's report

The last 12 months have been extremely challenging for all individuals, families and communities across Scotland as all our lives have been seriously impacted by the COVID-19 pandemic.

For Waverley Care, this has meant finding new ways of delivering services to reach people who need our support the most. I am really proud of how all our staff have risen to this challenge over the last year proving again and again how agile and responsive we are.

We have, for example, expanded a whole range of digital services enabling people across Scotland to access advice and support around sexual health and blood borne viruses at a time when NHS services were severely restricted. We also introduced HIV Self-Test Scotland which enabled over 6000 people to access HIV tests when face to face testing was very limited. Our residential unit, Milestone, has been offering intermediate care to homeless and vulnerable communities over the last year, improving health outcomes for individuals and reducing the pressure on hospital beds at this crucial time.

As we recover from COVID-19, we are determined to play our part in ensuring Scotland's sexual health and blood borne virus services recover and are able to build on all the amazing progress of the last decade. We will continue to work alongside the NHS to ensure everyone has access to services they need.

This decade is a momentous one in the fight against HIV and Hepatitis C. We have seen major advances in treatment and our ability to prevent new infections. In Scotland, we have ambitious goals to eliminate Hepatitis C by 2024 and to reach zero HIV infections by 2030. These are lofty but achievable aims and here at Waverley Care, we are determined to be at the forefront of supporting Scotland to reach these major milestones.

None of this work would be possible without the generosity of our funders and supporters. Their contributions help us to make such a difference to people living with or affected by blood borne viruses across Scotland and we are incredibly grateful for their continued support.

Fiona MacFarlane, Chair

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

1. Our purposes and activities

Waverley Care is Scotland's national HIV, Hepatitis C and Sexual Health Charity. We exist to support those living with HIV and Hepatitis C to live well by offering practical support and empowering them to make choices that improve their health and wellbeing. We also work closely with populations at risk of acquiring a blood borne virus, in particular those effected by poverty and wider inequalities in society, the African community, and the LGBT+ community, to start conversations and ensure they have access to testing and trusted advice and support.

We are also here to challenge the stigma of HIV, Hepatitis C and sexual health and advocate for those who face the harshest inequalities. Our vision is for a society free from HIV and Hepatitis C stigma, where people know their blood borne virus (BBV) status and individuals and communities affected by these conditions enjoy good physical, mental and emotional health.

The Scottish Government has committed to eliminating Hepatitis C by 2024 and has joined the UK Government in pledging their support for the ambition to reach zero new HIV transmissions by 2030. We are committed to playing a key role in enabling Scotland to achieve these ambitious goals which we believe are achievable with concerted action that engages with and involves at risk communities.

We are a national organisation and over the last year we have provided services in the following NHS Board areas – Fife, Forth Valley, Greater Glasgow and Clyde, Highland, Lanarkshire and Lothian – as well as national programmes funded by the Scottish Government and Impact Funding Partners.

2. Achievements and Performance

Over the last year, like all organisations, our work has been significantly impacted by COVID-19. From March 2020, we quickly adapted to the new lockdown conditions with most staff moving to working from home, offering services remotely where possible. This was a major shift, and the organisation has shown great resilience and adaptability in adjusting to the new circumstances. Throughout 2020/21, we have continued to deliver our services, either remotely or in person where possible, to ensure that those who most need support have been able to access it during this difficult time. Here are some of the highlights of the past financial year:

Prevention, testing and sexual health*Prevention*

Our work over the last year has continued to build on our expertise in raising awareness amongst key at risk groups about BBV prevention and sexual health. These groups include young people, gay and bisexual men and people who inject drugs. This work includes informing communities about harm reduction measures and raising awareness about PrEP (Pre-Exposure Prophylaxis which involves the use of anti-HIV drugs before sex to reduce the chances of someone becoming infected with HIV) and U=U (Undetectable = Untransmittable).

We have continued to ensure communities have access to condoms through the pandemic. We have also worked with our NHS colleagues to support PrEP users, to answer queries from the community about PrEP and to looking at how access to PrEP can be broadened.

In response to the closure of most face-to-face services, including NHS sexual health services, we expanded our live chat service, enabling members of the public to access advice or support from a live chat advisor. This service has been really well used over the last year and as we move forward it will become a core part of our service offer.

Our Health Improvement Team West has continued to respond to the ongoing HIV outbreak in Glasgow affecting people who inject drugs working alongside the NHS and other partners to provide harm reduction advice and access to testing for those who need it.

We adapted our work with the Chinese community in Lanarkshire to raise awareness of Hepatitis B, a blood borne virus that disproportionately affects Scotland's Chinese Community. Over the last year we have worked with volunteer Health Ambassadors to produce Chinese language YouTube clips, which can be easily shared within the community, to provide health advice on Hepatitis B and the liver.

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Testing

Testing is absolutely fundamental to achieving zero HIV transmissions. Without it, there can be no initiation of treatment, no U=U, no access to PrEP and no realistic prospect of an effective HIV response. At present, around 8% of all people living with HIV in Scotland are undiagnosed including individuals who face the greatest barriers in accessing services. Reaching this population is crucial – to enable them to know their status, initiate treatment and manage their health, while reducing the risk of onward transmissions.

Over the years, testing has become a growing focus for the charity, and we have developed a range of community-based testing options in conjunction with NHS boards to improve access to HIV testing for at risk populations. In light of the temporary suspension of our in-person testing services, we established HIV Self-Test Scotland in partnership with HIV Scotland, enabling people across Scotland to access HIV self-tests online. Between May 2020 and February 2021 over 6,500 HIV tests were issued across Scotland and those with reactive results were supported into confirmatory testing and treatment where appropriate. Evaluation of the service was highly positive with 95% of respondents saying they would recommend the service.

Sexual Health

Waverley Care recognises that for many people in Scotland talking about sex and sexual health is not easy. We do, however, live in a time where there is clear support for improved sexual health and relationships education in our schools and elsewhere, alongside a broader movement that is redefining our understanding of sexuality, identity and gender. Against this backdrop, our work in sexual health has grown from a pure interest in its role in HIV transmission, to becoming a more fundamental part of what we do.

Wave, our young people's sexual health education programme, provides young people under 25 living in the Highlands with clear, relevant, and inclusive information about all aspects of their sexual health, promoting respect for others and giving young people the confidence to make safe, healthy choices. With the closure of schools, over the past year we delivered our interactive sessions with secondary school pupils digitally.

With funding from the National Lottery's Young Start fund, we have begun developing a Resilient Relationships project, a programme that will develop interventions and resources to inform and support young people to enjoy positive and fulfilling relationships. This work will be driven forward by our new National Young People's Advisory Panel which will inform our sexual health work across Scotland.

Support

Our focus is on supporting people to live well with HIV or Hepatitis C, improving their physical and emotional health and well-being. We're there to help with the day-to-day challenges that get in the way of staying healthy, from managing a new diagnosis, to accessing treatment, supporting healthier lifestyle choices, engaging with support services and managing relationships with family and friends.

Over the last year, poor mental health, isolation and access to basic essentials such as food and benefits have been key issues for a significant proportion of the people we support. For some service users, there were challenges managing day to day health issues particularly as face-to-face NHS services were very restricted and Hepatitis C treatment was reduced across Scotland. Our Health Improvement Teams supported 560 individuals living with HIV and Hepatitis C to access food, benefits, and other services and to continue engaging with NHS care and treatment during the pandemic. Impact data that our teams routinely record demonstrated that over 70% felt less isolated as a result of the support they have been receiving from us.

Many Africans living with HIV in Scotland face additional challenges relating to issues such as immigration, poverty, culture or isolation. To ensure Africans living with HIV in Scotland are able to manage the impact HIV and these other issues can have on their lives, we provide distinct services to this community in Greater Glasgow and Clyde, Lanarkshire, Lothian and Forth Valley.

In order to prevent HIV transmission from mothers living with HIV to their babies, we have continued to provide free access to infant formula milk and sterilising equipment for all women and babies who need it. Over the last year, 676 tins of infant formula milk were distributed to 30 women who were supported to manage the impact of being a parent living with HIV.

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Over the year, we worked with Terence Higgins Trust Scotland to deliver virtual peer support workshops, where 119 people living with HIV were able to share and learn from each other on a range of topics including managing alcohol, managing co-morbidities, sexual pleasure and relationships.

Milestone

Our residential facility normally provides specialist step up and step down care to people with BBVs who have complex needs, reducing the pressure on NHS services while improving health and well-being. As a result of the COVID pandemic, the step up/down service was unable to function due to the need for service users to maintain physical distancing. Support to users was therefore provided by phone, email and live chat services.

In order to support Edinburgh's pandemic response, Waverley Care received additional funding from the Edinburgh Health and Social Care Partnership (EHSCP) for Milestone to operate as an Intermediate Care Unit, facilitating the safe discharge from hospital for Edinburgh's homeless and vulnerable populations. Over the year, the service has had a significant impact on the health of some of the city's most vulnerable citizens, providing 2262 bed nights to 62 individuals who stayed on average 36 days, in particular reducing hospital stays/admissions and stabilising drug and alcohol problems. The service has been supported by staff from a range of sectors including primary care, social work and acute hospital services to enable people to continue their recovery freeing up hospital beds for other uses.

Influencing

In 2020/21, we were engaged in a number of activities to shape the future service environment. We were involved in a number of key national groups responsible for developing Scotland's response to sexual health and blood borne viruses and we also worked closely with clinicians and third sector partners to inform the Scottish Government's Recovery and Remobilisation Plan which will be published in the summer of 2021.

In October 2020, Waverley Care published a report – 'There Needs to be Care Throughout: Exploring the access of non-binary people, trans men and trans women to accessing sexual health services in Scotland' – with the Scottish Trans Alliance charting the experience of trans and non-binary people across Scotland accessing sexual health services. The report makes wide ranging recommendations targeted at Government, NHS, and sexual health and charity service providers.

A number of Scottish cities have signed up to the Fast Track Cities Initiative, a global programme where civic leaders pledge support and accountability to meeting the UNAIDS 90:90:90 goals. We have been key members of both Glasgow and Edinburgh's Fast Track Cities Leadership groups, working with partners to develop local strategies to achieve key goals around HIV.

3. Financial review

Our surplus on activities for the year, excluding pension adjustments, is £754,756 (2020 – deficit of £225,522). This is a good result given the fundraising challenges we faced during the year because of the COVID-19 pandemic, including the loss of the Edinburgh Fringe and the cancellation of face-to-face events.

Our surplus was achieved due to early recognition of the challenges and speedy action to mitigate the financial impact. Actions included:

- *Restructuring* – we created a new leaner Corporate Services team through amalgamating our Head Office/Finance/Fundraising functions and we restructured our community services, creating new, more effective Health Improvement Teams. The restructure resulted in a loss of 6 roles, 5 of whom took voluntary redundancy.
- *COVID Specific funding* - We had a number of significant successes securing COVID specific funding that was available to charities to alleviate the impact of the pandemic on users and/or to support charities during this difficult time. This included funding from Gilead (Gilead Cares Funding) of £75,000 to mitigate the loss of fundraising income and £25,690 from the Scottish Government's Wellbeing fund to support users facing hardship during the pandemic.
- *Expenditure controls* - Throughout 2020/21 all expenditure was closely monitored, and due to the lower costs of working remotely and digital delivery of services came in lower than what was budgeted.
- *Job Retention Scheme* - We also made use of the Government's Job Retention Scheme and received

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reimbursements of £88,973 from the scheme.

- *Accommodation review* – following an accommodation review, we terminated the lease of our Glasgow Office in August 2020 and we have sublet our Edinburgh Office with tenants taking up leases in March and July 2021 (note that the company will see benefit of this in the next financial year).
- *Reduced pension costs* – Following negotiation with Lothian Pension Fund, we agreed a voluntary exit from the scheme with appropriate repayment terms that support the charity's long term financial sustainability. We exited on the 31st March 2020 and all affected employees have been auto-enrolled in a defined contribution scheme open to all employees.

Funding and Fundraising

Our statutory funding remained secure and our principal funding sources are by way of grant and contract income from the City of Edinburgh Council, the Edinburgh Integrated Joint Board, NHS Fife, NHS Forth Valley, NHS Greater Glasgow and Clyde, NHS Highland, NHS Lanarkshire, NHS Lothian, the Scottish Government and West Lothian Council. During the year, we also received additional funding from NHS Greater Glasgow and Clyde to expand HIV testing amongst people who inject drugs and enhanced funding from the EHSCP to cover the additional costs of operating the Intermediate Care Unit at Milestone. We also secured funding to develop new areas of work including:

- Glasgow Community Fund income to expand our work with people who inject drugs in Glasgow
- Gilead funding to develop peer support services for people living with Hepatitis C
- Heritage Lottery funding to establish 'Look Back at HIV' a participatory project working with individuals and communities to tell the story of HIV in Scotland through a digital exhibition in 2022
- Young Start funding to develop a Resilient Relationships project for young people and adults

Our fundraising team raised in excess of £270,000 a good result given the challenges during the year. We now have a smaller fundraising team and we have begun to review our fundraising activities to develop new ways of growing our income that maximise return on investment and are less reliant on face-to-face fundraising. This will be supported by the appointment of a new Communications Manager who will work closely with the team to help the charity grow its support base across Scotland.

In 2020-21, the charity also received voluntary income from a large number of charitable trusts and companies including: The Annie Lennox Foundation, Appletree Trust, Bank of Scotland Foundation, Church of Scotland HIV Programme, Equality Network, Gilead Sciences Ltd, Gordon Fraser Charitable Trust, Heritage Lottery Fund, The Hospital Saturday Fund Charitable Trust, Hugh Fraser Foundation, Inspiring Scotland, Janssen-Cilag Ltd, KPE4 Charitable Trust, The Lady Marion Gibson Trust, The Martin Connell Charitable Trust, Meikle Foundation, Miss Isabel Harvey Charitable Trust, the National Lottery Community Fund, The Netherdale Trust, The Raymond Kenneth Thomas Harris Charitable Trust, The Robertson Trust, Royal Caledonian Charities Trust, The Russell Trust, Saints and Sinners Club of Scotland, Scotch Whisky Action Fund, St Martin-in-the-Field Charity and Thistledown Trust.

We received support from a number of companies through corporate donations, sponsorship, and workplace fundraising and volunteering. Significant support was received from Addleshaw Goddard LLP, Amazon, Baillie Gifford, Blackrock Investment Management, Criterion Tec Limited, HSBC UK, KPMG, Legal Sparks Solicitors, LGBT Great, NSL, Pertemps, Royal Bank of Scotland, Sky UK Limited, Starbucks and Wood Mackenzie.

We continue to benefit from our relationship with Off the Kerb Productions who raised £8,618 at their virtual Comedy Gala in aid of Waverley Care. A number of community organisations and businesses supported us including CC Blooms, Planet Bar, Real Foods, Broughton St Mary's Parish Church, Caledonian Thebans, Glasgow Frontrunners, Loud and Proud, Punk for Pam and GBH. We were also grateful to receive an increase in regular and one-off donations from individual supporters of £57,893.

Financial Planning

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 that is monitored by the Board of Directors and the Finance and Fundraising sub group. A new post of Head of Corporate Services was appointed in January 2021 with a lead role in managing finance, fundraising, and supporting the Chief Executive on the overall running of the organisation. We have also outsourced the preparation of bimonthly

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management accounts to our accountants Azets and this is providing the charity with timely, high quality financial information. Alongside this, we have been working with senior managers to delegate day to day budget management to them so that it links closely with operational activities and priorities.

The key components of the 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
- Ensuring where possible that project funding contributes to organisational overheads such as premises, management, HR and payroll expenses
- Identifying cost savings to ensure we work towards a balanced budget
- Reviewing and developing a new reserves policy in line with best practice
- A well-defined income generation strategy focused on maintaining and strengthening relationships with our existing funders and supporters as well as identifying new income streams
- Regular review by the Board of the key risks affecting the ongoing viability of the charity, ensuring that we identify and manage the salient risks in a timely way

Investment Powers and Policy

The Directors, having regard to the liquidity requirements of the charity, have kept available funds in an investment portfolio which is managed by Brewin Dolphin, stockbrokers, 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 and volatility in the stock market there is no target return set but the value of the portfolio is benchmarked against the WMA Private Investors Balanced TR Benchmark.

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.

Reserves Policy and going concern

Our long term aim has been to ensure that the charity builds up general funds equivalent to 3-6 months running expenses and we are currently reviewing whether this aim continues to be most appropriate. At current levels of activity that is equivalent to £600,000 to £1,000,000. In the year under review free reserves, excluding the pension reserve, stood at £1,146,481 at the year end.

The charity remains a going concern, having secured all its key funding for the financial year 2021-22. This includes contracts in place with the Glasgow Community Fund, NHS Forth Valley, NHS Greater Glasgow and Clyde, NHS Highland, NHS Lanarkshire and NHS Lothian for the forthcoming year. Grant and contract funding is also in place from the Edinburgh Integrated Joint Board towards Milestone and our Health Improvement Team and the Scottish Government have agreed funding until the end of March 2022 for two projects. Two new major projects funded by the National Lottery Heritage Fund and the National Lottery Community Fund – Young Start began in 2020 and 2021 and are funded for the next 3 years. Unfortunately, our BBV Support contract with NHS Fife ends on 30th June 2021 as a new local provider has been chosen to deliver the service going forward.

4. Plans for future periods

The charity plans to continue the activities outlined above in the forthcoming year. An ongoing financial concern for the charity, as for the charitable sector generally, is its reliance on short term and uncertain funding sources, tendering for contracts and the ongoing challenging economic outlook. This means that fundraising in support of existing services as well as new developments will remain a key priority for the charity.

In addition, the charity's plans over the forthcoming year include the following areas of activity:

- Reviewing our strategic priorities and developing a new strategic plan, which will outline our plans for 2021 and beyond. We aim to launch our new plan in the second half of 2021.
- Undertaking a strategic review of our Milestone residential service in partnership with users, their carers and families and the EHSCP

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- Continue to develop a financial strategy that supports a balanced budget and long-term financial sustainability.
- Agree an income generation strategy that supports income growth and diversification.
- Continue to bid and secure contracts and ongoing support from our key statutory funding.
- Building on our capacity to deliver digitally.

5. Structure, governance and management**Governing document**

Waverley Care is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 2nd August 2016. 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. The Articles of Association were reviewed by the Board in December 2020.

The Scottish Charity Regulator, OSCR, has advised charities to review their governing documents to ensure that there is provision for remote and virtual Annual General Meetings. We worked with our solicitors to draft a resolution which was agreed by trustees at our April 2021 board meeting and will be lodged with OSCR in due course.

Appointment of Directors

Directors are appointed at an AGM and can hold office for up to four years which is renewable for a further four years. 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. The Directors are also charitable trustees for the purposes of charity law and under the company's Articles of Association.

A list of Directors who served during the year and up to the date of signature of the financial statements is on page 1 of the report. In 2020-21, Ian Arnot, Lee Thorburn and Bishop John Armes resigned from the Board. Ian Arnot resigned as Chair at our AGM in December 2020 and Fiona MacFarlane stepped into the role. Ann Park resigned from the board in June 2021. We also appointed Adam Knight as our Vice Chair at our February 2021 board meeting. After a strong response to board recruitment, we appointed four new Directors in April 2021 – Harry Dozier, Kenny Napier, Lambros Karasellos and Sam Abdulla.

Director Induction and Training

New Directors receive an induction to brief them on their legal and financial responsibilities under charity law; the OSCR guidance on charity trustees; the content of the Memorandum and Articles of Association; the Board decision-making processes; the organisation's strategic objectives and the recent financial performance of the charity. During the induction period, new Directors meet key employees and Directors and visit some of the organisation's services.

Organisation

The Board of Directors, which can have up to 12 members, administers the charity. The Board normally meets on a bi-monthly basis. A Finance and Fundraising Sub-Group meets quarterly with the remit of scrutinising the charity's finances and income generation activities.

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 for operational matters including finance, employment and operational delivery. An experienced senior management team is in place to manage the organisation's diverse range of services and activities. The team comprises the Chief Executive, Head of Corporate Services, Senior East of Scotland Manager, Senior West of Scotland Manager and Senior North and National Services Manager.

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Related parties and co-operation with other organisations

None of our Directors receive remuneration or other benefit from their work with the charity. Any connection between a Director or senior manager of the charity with a third-party organisation that is providing services on the charity's behalf must be disclosed to the full Board of Directors in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Pay policy for senior staff

The Directors consider the Board of Directors and the senior management team as comprising the key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis. All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in note 12 to the accounts.

Cost of living awards are approved by the full Board of Directors, following consideration and recommendation by the Finance and Fundraising Sub Group. These are negotiated and agreed with our trade union partners as per our union recognition agreement.

Risk management

The Directors review risks in all key areas of activity – operational, governance, financial, environmental/external and compliance/regulation. 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.

This work has identified that the major risks for the charity have been the pension liability with Lothian Pension Fund and our ongoing financial sustainability. To monitor our financial sustainability, the board bimonthly review a funding risk map to identify when project funding ends or to highlight where there are funding shortfalls

Attention has also been focused on non-financial risks such as compliance with relevant policies and health and safety regulation. These risks are monitored through regular review of practice policies by our Senior Management Team; audit and update of employment policies by our legal advisors and through our Health and Safety provider.

Directors' responsibilities in relation to the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charity for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures 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 in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Disclosure of information to auditors

In so far as they are aware at the time of approving our Directors' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Directors, having made enquiries of fellow Directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Chiene + Tait LLP were appointed as auditor at the last AGM in December 2020. A resolution to re-appoint Chiene + Tait LLP will be proposed at the next AGM in November 2021.

The Directors' report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and was approved by the Board of Directors on 26 August 2021 and signed on their behalf by:


..... Chair
Ms Fiona MacFarlane



INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Waverley Care (the 'charitable company') for the year ended 31 March 2021 which comprise, the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2021, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 Financial Reporting Council'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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE) (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and proper 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 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 9 and 10, 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with 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.

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:



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE) (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006 and Health and Safety Regulations.

We focused on laws and regulations that could give rise to a material misstatement in the charitable company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of key management personnel and the directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 directors, 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 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 the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Malcolm R Beveridge

Malcolm Beveridge, CA (Senior Statutory Auditor)

For and on behalf of
Chiene + Tait LLP,
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

1 September 2021

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

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2021 Total £	2020 Total £
Income:						
Donations and legacies	2	300,017	-	-	300,017	403,171
Charitable activities	3	2,456,307	-	157,564	2,613,871	2,301,062
Investments	4	13,560	-	12,342	25,902	31,399
Total Income		2,769,884	-	169,906	2,939,790	2,735,632
Expenditure:						
Raising funds	5	(123,125)	-	-	(123,125)	(217,746)
Charitable activities	5	(2,127,378)	(27,224)	(88,782)	(2,243,384)	(2,634,916)
Total expenditure		(2,250,503)	(27,224)	(88,782)	(2,366,509)	(2,852,662)
Net gains/(losses) on investments	9	93,822	-	87,653	181,475	(108,492)
Net expenditure		613,203	(27,224)	168,777	754,756	(225,522)
Transfers between funds	15	-	-	-	-	-
Net expenditure		613,203	(27,224)	168,777	754,756	(225,522)
Other recognised gains/(losses)						
Actuarial (losses) on defined benefit pension		-	-	-	-	(60,000)
Net movement in funds		613,203	(27,224)	168,777	754,756	(285,522)
Reconciliation of funds						
Balance at 1 April 2020 as restated		(647,980)	246,078	440,499	38,597	3,833
Prior year adjustment		-	-	-	-	320,286
Balance at 31 March 2021		(34,777)	218,854	609,276	793,353	38,597

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities

The notes form part of these financial statements

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	£	2021 £	£	As restated 2020 £
Fixed Assets					
Tangible assets	8		245,030		257,357
Investments	9		942,148		743,024
			1,187,178		1,000,381
Current assets					
Debtors	10	147,467		87,782	
Cash at bank and in hand		754,719		499,218	
		902,186		587,000	
Creditors: amounts falling due within one year	11	(189,753)		(394,070)	
Net current assets			712,433		192,930
Total assets less current liabilities			1,899,611		1,193,311
Creditors: amounts falling due after one year	12		(1,106,258)		(1,155,714)
Net (liabilities)/assets			793,353		38,597
Funds					
Unrestricted funds					
- General	14		1,146,481		531,734
- Pension reserve	14		(1,181,258)		(1,179,714)
- Designated	15		218,854		246,078
Restricted funds	16		609,276		440,499
			793,353		38,597

These financial statements have been prepared in accordance with the special provisions for Small Companies under Part 15 of the Companies Act 2006 and with Financial Reporting Standard 102. They constitute the annual financial statements required by the Companies Act 2006 and are for circulation to the members of the charitable company.

The financial statements were approved and authorised for issue by the Board of Directors on 26 August 2021 and signed on their behalf by:-



.....
**Ms Fiona MacFarlane (Chair)
Director**

Company number: SC253043

The notes form part of these financial statements

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	As restated 2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	293,065	(11,677)
Cash flows from investing activities			
Dividends and interest from investments		25,902	31,399
Proceeds from sale of investments		149,359	36,291
Purchase of investments		(158,048)	(58,263)
Decrease in cash balance on investments		(8,960)	714
Purchase of tangible fixed assets		(19,239)	-
Net cash (used)/provided by investing activities		(10,986)	10,141
Cash flows from financing activities			
Interest paid		(26,578)	-
Net cash (used)/provided by financing activities		(26,578)	10,141
Change in cash and cash equivalents in the year		255,501	(1,536)
Cash and cash equivalents at the beginning of the year		499,218	500,754
		754,719	499,218

The notes form part of these financial statements

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies**General information**

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. Monetary amounts in these financial statements are rounded to the nearest £. These financial statements are of Waverley Care only and cover the year to 31 March 2021.

Waverley Care is an incorporated charity limited by guarantee in the United Kingdom and is registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC036500. Details of the registered office can be found on page 1 of these financial statements.

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)(second edition – October 2019)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated otherwise in the relevant accounting policy note(s).

Going concern

The charity depends on grant and contract funding from outside sources and fundraising to finance its activities. At the date of approving the financial statements in assessing the going concern position of the charity, the Board has fully considered the security of future income and net asset position in the Balance Sheet at the year end.

The charity has secured all its key grant funding for the current year to March 2022 and a significant portion of funding to March 2023 and for some projects to March 2024. On this basis and with cash flow projections, including the continued potential impact of COVID-19 on the charity, the charity is satisfied that it is able to meet its ongoing liabilities as they fall due. As a consequence, the Board has prepared the financial statements on the going concern basis.

Grants

Revenue grants are recognised in the year to which they relate when the charitable company has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably. Any income which relates to a period out with the one under review is treated as deferred.

Fundraising and donations

Fundraising and donations income are 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 and the Statement of Financial Activities 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 income in the year in which it is receivable.

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****1. Accounting policies (continued)**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

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. Expenditure is classified under the following headings:

- costs of raising funds which comprises all costs associated with generating income from all sources other than from undertaking charitable activities;
- expenditure on charitable activities which comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries and their associated support costs.

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

Allocation of support costs

Support costs are those functions that assist the work of the charitable company but do not directly undertake charitable activities. Support costs include governance costs which support the activities of the charitable company. These costs have been allocated between the activities under expenditure on charitable activities on a basis of time spent.

Fixed assets

All fixed assets are initially recorded at cost with assets costing in excess of £1,000 capitalised.

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and cash 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.

Creditors

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

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

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.

Operating leases

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

Pensions

Defined contribution scheme:-

The charity operates a defined contribution scheme in respect of its employees. The assets of the scheme are held separately from those of the charity. The pension cost charge represents the amount of the contributions payable to the scheme in respect of the year.

Pension liability:-

The charity voluntarily exited from the Lothian Pension Fund and has a funding payment plan in this place. As there is no formal interest payable on this liability, it is included in the financial statements at a discounted value at a rate considered appropriate by the Directors.

VAT

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

Funds

The nature and purpose of funds held are contained in notes 14 to 16.

Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates. The depreciation rates have been deemed to be appropriate for the class of asset.

Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Donations and legacies	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2021 £	2020 £
Donations/covenants	296,468	-	-	296,468	272,653
Events	3,549	-	-	3,549	130,518
	300,017	-	-	300,017	403,171

Donation and legacy income for the comparative year to 31 March 2020 totals £403,171 of which £403,171 was unrestricted and £nil was restricted.

3. Income from charitable activities	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2021 £	2020 £
Grants	2,367,148	-	157,564	2,524,712	2,104,254
Job retention scheme	87,112	-	-	87,112	-
Fees	-	-	-	-	8,752
Step-down care and other income	2,047	-	-	2,047	188,056
	2,456,307	-	157,564	2,613,871	2,301,062

Grant income includes £2,456,746 of government grants receivable (2020 - £1,987,355).

Income from charitable activities for the comparative year to 31 March 2020 totals £2,301,062 of which £2,191,564 was unrestricted and £109,498 was restricted.

4. Investment income	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2021 £	2020 £
Interest received	349	-	-	349	2,037
Investment income	13,211	-	12,342	25,553	29,362
	13,560	-	12,342	25,902	31,399

Investment income for the comparative year to 31 March 2020 totals £31,399 of which £17,217 was unrestricted and £14,182 was restricted.

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Resources expended	Charitable activities			Total 2021 £	Total 2020 £
	Raising Funds £	Residential £	Community Services £		
Staff costs (note 7)	85,606	689,552	1,068,013	1,843,171	2,111,851
Property costs	-	96,943	48,015	144,958	184,269
Activities	1,766	59,834	14,628	76,228	228,738
Administration	35,753	83,363	108,445	227,561	283,881
Depreciation	-	2,171	23,395	31,566	30,288
Pension finance costs	-	13,289	13,289	26,578	-
Governance costs (note 6)	-	6,274	10,173	16,447	13,695
	<u>123,125</u>	<u>951,426</u>	<u>1,291,958</u>	<u>2,366,509</u>	<u>2,852,662</u>

Resources expended for the year totals £2,366,509 (2020 - £2,852,662) of which £2,250,503 (2020 - £2,726,134) was unrestricted, £27,224 (2020 - £27,224) was designated, £88,782 (2020 - £99,304) was restricted.

6. Analysis of governance costs	2021 £	2020 £
Audit	7,010	6,300
Accountancy	9,437	7,395
	<u>16,447</u>	<u>13,695</u>

7. Staff numbers and costs	2021 £	2020 £
Wages and salaries	1,549,691	1,575,045
Social Security costs	132,489	142,759
Redundancy costs	65,808	28,938
Pension costs – actual	82,681	312,756
Other staff costs	12,502	52,353
	<u>1,843,171</u>	<u>2,111,851</u>

The average monthly number of employees during the year was:	Number	Number
Fundraising	5	5
Administration	3	5
Charitable activities	44	50
	<u>52</u>	<u>60</u>

In addition to the staff numbers noted above, the charity uses occasional bank staff to cover ad-hoc shifts. No employees earned at a rate of over £60,000 per annum.

The Directors received no remuneration or expenses (2020 – £nil).

The key management personnel of the charitable company comprise the directors, the chief executive and the senior management team. The total employee benefits of the key management personnel of the charitable company, including employers' NIC and pension, were £238,334 (2020 - £328,184).

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Fixed assets	Milestone House £	Computer equipment £	Furniture & equipment £	Total £
Cost				
<i>At 1 April 2020</i>	2,089,243	77,973	49,543	2,216,759
<i>Additions</i>	-	19,239	-	19,239
<i>Disposals</i>	-	(22,622)	-	(22,622)
At 31 March 2021	2,089,243	74,590	49,543	2,213,376
Depreciation				
<i>At 1 April 2020</i>	1,832,784	77,075	49,543	1,959,402
<i>Charge for year</i>	28,263	3,303	-	31,566
<i>Depreciation on disposals</i>	-	(22,622)	-	(22,622)
At 31 March 2021	1,861,047	57,756		1,968,346
Net book value at 31 March 2021	228,196	16,834	-	245,030
<i>Net book value at 31 March 2020</i>	256,459	898	-	257,357

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. The net book value of Milestone House includes £10,383 relating to furniture and equipment. All the assets are used for direct charitable purposes.

9. Investments	2021 £	2020 £
<i>Market value on 1 April 2020</i>	743,024	830,258
<i>Decrease in cash held</i>	8,960	(714)
<i>Disposal proceeds</i>	(149,359)	(36,291)
<i>Net realised investment gains</i>	10,534	2,464
<i>Additions at cost</i>	158,048	58,263
<i>Net unrealised investment (losses)/ gains</i>	170,941	(110,956)
Market value at 31 March 2021	942,148	743,024
Cost	802,254	794,602

Included in investments in 2021 is £19,985 (2020 - £11,025) held as cash.

Investment management charges of £7,927 (2020 - £8,330) are included in fundraising costs in the year.

The portfolio is structured as follows:-

	Over 5%	Total%
UK Bonds		13.2
UK Equities		26.9
North American Equities		26.6
JP Morgan Funds Ltd US Equity Inc K GBP Net Inc	7.2	
SSGA SPDR ETFs E I Spdr S&P US Div Aristocrats	6.4	

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****9. Investments (continued)**

The portfolio is structured as follows:-

	Total%
European Equities	6.9
Japanese Equities	3.4
Asia Pacific Equities	6.6
Emerging Market Equities	1.3
Global Investment Funds	5.3
Absolute Return	4.6
Property	3.1
Other investments	2.1
Total	<u>100</u>

All investments are carried at fair value. The basis of fair value for quoted investments is equivalent to the market value, using bid price. Assets sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The volatility in the stock market is an area of financial uncertainty which the Board have mitigated by having a balanced portfolio subject to a medium degree of risk and by benchmarking the portfolio against the WMA Private Investors Balanced Index.

10. Debtors	2021	2020
	£	£
Income tax recoverable	6,886	4,054
Prepayments and accrued income	140,581	83,728
	<u>147,467</u>	<u>87,782</u>

11. Creditors: amounts falling due within one year

	2021	<i>As restated</i> 2020
	£	£
Trade creditors	21,683	29,313
Social Security and other taxes	29,777	34,524
Other creditors	11,283	30,600
Accruals	42,010	28,395
Pension creditor	75,000	25,000
Deferred income (see below)	10,000	246,238
	<u>189,753</u>	<u>394,070</u>

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Creditors: amounts falling due within one year (continued)	2021	2020
	£	£
Deferred income		
Balance as at 1 April 2020	246,238	166,945
Amounts released to income	(246,238)	(166,945)
Amounts deferred in the year	10,000	246,238
	<hr/>	<hr/>
Balance as at 31 March 2021	10,000	246,238
	<hr/> <hr/>	<hr/> <hr/>

The deferred income in 2020 of £246,238 was released in the current year and for the year ended 31 March 2021 deferred income comprises of: NHS Fife £10,000.

12. Creditors: amounts falling due after one year	2021	<i>As restated</i> 2020
	£	£
Pension creditor	1,106,258	1,154,714
	<hr/>	<hr/>
	1,106,258	1,154,714
	<hr/> <hr/>	<hr/> <hr/>

13. Leasing commitments

The charity's commitments for rental payments under non-cancellable operating leases at 31 March 2021 are as set out below:

	Land and buildings	<i>Land and buildings</i>
	2021	2020
	£	£
Operating leases		
Within one year	49,250	58,809
Between two and five years	98,500	147,750
Over five years	-	-
	<hr/>	<hr/>
	147,750	206,559
	<hr/> <hr/>	<hr/> <hr/>

The amount of operating lease payments included as an expense in the year was £51,047 (2020 - £85,562).

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. General funds

	Balance at 1 April 2020 (as restated) £	Income £	Expenditure £	Other recognised gains/ (losses) £	Transfers £	Balance at 31 March 2021 £
General fund	531,734	2,769,884	(2,250,503)	93,822	1,544	1,146,481
Pension reserve	(1,179,714)	-	-	-	(1,544)	(1,181,258)
	<u>(647,980)</u>	<u>2,769,884</u>	<u>(2,250,503)</u>	<u>93,822</u>	<u>-</u>	<u>(34,777)</u>

	Balance at 1 April 2019 £	Income £	Expenditure £	Other recognised gains/ (losses) £	Pension Adjustment £	Balance at 31 March 2020 (as restated) £
General fund	702,006	2,611,952	(2,726,134)	(56,090)	-	531,734
Pension reserve	(1,440,000)	-	-	(60,000)	320,286	(1,179,714)
	<u>(737,994)</u>	<u>2,611,952</u>	<u>(2,726,134)</u>	<u>(116,090)</u>	<u>320,286</u>	<u>(647,980)</u>

15. Designated funds

Funds set aside by the Directors for specific purposes:

	Balance at 1 April 2020 £	Income £	Expenditure £	Other recognised gains/ (losses) £	Transfers £	Balance at 31 March 2021 £
Milestone House refurbishment	246,078	-	(27,224)	-	-	218,854
	<u>246,078</u>	<u>-</u>	<u>(27,224)</u>	<u>-</u>	<u>-</u>	<u>218,854</u>

	Balance at 1 April 2019 £	Income £	Expenditure £	Other recognised gains/ (losses) £	Transfers £	Balance at 31 March 2020 £
Milestone House refurbishment	273,302	-	(27,224)	-	-	246,078
	<u>273,302</u>	<u>-</u>	<u>(27,244)</u>	<u>-</u>	<u>-</u>	<u>246,078</u>

The Milestone House refurbishment fund comprises financial support from NHS Lothian and the City of Edinburgh Council to refurbish the Milestone residential unit in 2014. This support enabled the development of high quality residential services for people with blood borne viruses and the establishment of a separate unit for people with alcohol related brain damage which is delivered by another charity in partnership with NHS Lothian.

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Restricted funds

	<i>Balance at 1 April 2020</i>	Income	Expenditure	Other recognised gains/ (losses)	Transfers	Balance at 31 March 2021
	£	£	£	£	£	£
Arts project	10,194	-	-	-	-	10,194
Craw Milestone Fund	430,305	12,342	-	87,653	-	530,300
Lottery Street Support Project		137,564	(68,782)			68,782
People's Postcode Lottery	-	20,000	(20,000)	-	-	-
	<u>440,499</u>	<u>169,906</u>	<u>(88,782)</u>	<u>87,653</u>	<u>-</u>	<u>609,276</u>

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Other recognised gains/ (losses)</i>	<i>Transfers</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£	£
Arts project	-	10,194	-	-	-	10,194
Craw Milestone Fund	468,525	14,182	-	(52,402)	-	430,305
Lottery Street Support Project	-	99,304	(99,304)	-	-	-
	<u>468,525</u>	<u>123,680</u>	<u>(99,304)</u>	<u>(52,402)</u>	<u>-</u>	<u>440,499</u>

Restricted fund transfers include transfers to unrestricted funds as restrictions fully met.

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

Craw Milestone Fund – The charity received a legacy from James Somerville Craw towards the running of Milestone House.

Lottery Street Support Project – This fund exists to offer/provide access to harm reduction education, HIV testing and support to people who inject drugs in Glasgow.

People's Postcode Lottery – This fund exists to support our work addressing HIV amongst people who inject drugs in Glasgow.

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. Analysis of net assets among funds	Unrestricted General £	Designated funds £	Restricted funds £	Total 2021 £
Fixed assets	26,176	218,854	-	245,030
Investments	487,090	-	455,058	942,148
Net current assets	558,215	-	154,218	712,433
Pension creditor due after more than 1 year	(1,106,258)	-	-	(1,106,258)
	<u>(34,777)</u>	<u>218,854</u>	<u>609,276</u>	<u>793,353</u>
	<i>Unrestricted General £</i>	<i>Designated funds £</i>	<i>Restricted funds £</i>	<i>Total 2020 as restated £</i>
<i>Fixed assets</i>	11,279	246,078	-	257,357
<i>Investments</i>	507,362	-	235,662	743,024
<i>Net current assets</i>	(11,357)	-	204,837	193,480
<i>Pension reserve</i>	(1,155,264)	-	-	(1,155,264)
	<u>(647,980)</u>	<u>246,078</u>	<u>440,499</u>	<u>38,597</u>

18. Pension schemes

The charity participates in a defined contribution pension scheme and did participate in a defined benefit pension scheme

Defined benefit scheme – Lothian Pension Fund

The defined benefit scheme with Lothian Pension Fund provided benefits based on final pensionable pay. This scheme was closed to new members from 1 July 2016 and in March 2020 the charity voluntarily exited from this scheme, triggering a cessation valuation of £1,500,000. A funding payment plan has been agreed with Lothian Pension Fund. The sum has been included in the financial statements as a discounted sum as it has 0% interest attached to it.

Defined contribution scheme – Pension Trust

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administrated fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £82,681 (2020 - £48,013). Contributions totalling £10,221 (2020 - £3,935) were payable to the fund at the balance sheet date.

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****19. Contingent liability**

Under the terms of the multi-year repayment plan that was agreed with Lothian Pension Fund the full liability on crystallisation may not necessarily be repaid in full. A total of £326,000 will only be due if the charity has a significant improvement in its financial position. No adjustment for this potential liability has been included in these accounts. The Lothian Pension Fund retains the right to alter the repayment plan agreement should the financial position of the charity materially improve.

20. Reconciliation of net expenditure to net cash flow from operating activities

	2021	<i>2020 as restated</i>
	£	£
Net expenditure for the year	754,756	(285,522)
Adjustments for		
Depreciation charges	31,566	30,228
Dividends and interest from investments	(25,902)	(31,399)
Losses/(gains) on investments	(181,475)	108,492
Decrease in debtors	(59,685)	61,543
Increase in creditors	(252,773)	104,981
Defined benefit pension scheme charges	26,578	-
Net cash provided by/(used in) operating activities	293,065	(11,677)

21. Analysis of changes in net debt

Cash and cash equivalents

	At 1 April 2020	Cash flow	Other non- cash changes	At 31 March 2021
	£	£	£	£
Cash	499,218	255,501	-	754,719

WAVERLEY CARE (A COMPANY LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****22. Prior year adjustment**

	31-Mar-20
Restatement of Pension Reserve	£
Pension reserve as previously reported	(1,500,000)
Adjustment to reflect discounted value	<u>320,286</u>
Pension reserve as adjusted	<u>(1,179,714)</u>
	31-Mar-20
Total reserves	£
Reserves as previously reported	(281,689)
Adjustment to pension reserve	<u>320,286</u>
Reserves as adjusted	<u>38,597</u>

During the year the directors noted that the pension liability constituted a liability with no interest attached to it. Consequently the pension liability has been restated in both the current and prior year at a discounted value due to the material level of the sums involved. The sums payable for both due in less than and more than one year have also been adjusted to reflect this change.