

Charity registration number SC036500 (Scotland)

Company registration number SC253043 (Scotland)

WAVERLEY CARE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

WAVERLEY CARE

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Number

SC036500

Company Number

SC253043

Registered Office and Principal Address

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

Directors and Trustees

Directors

Ms Fiona MacFarlane (Chair)
Mr Steven Naismith (Treasurer) (resigned 24 August 2022)
Mr Benjamin Glaister (Treasurer) (appointed 24 August 2022)
Mr Adam Knight (Vice Chair)
Mr Allister Short
Mr Christopher Creegan (appointed 27 October 2022)
Mr David Leitch (appointed 27 October 2022)
Mr Greg Flett
Mr Harry Dozier
Ms Jane Wright (resigned 28 April 2022)
Mr Kenny Napier
Mr Lambros Karasellos (resigned 12 December 2022)
Dr Lesley Wallace (appointed 22 November 2022)
Mr Sam Abdulla

Accountants

Azets
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Auditors

Chiene + Tait LLP (trading as CT)
61 Dublin Street
Edinburgh
EH3 6NL

Solicitors

WorkNest
19 Thistle Street
Edinburgh
EH2 1DF

Investment managers

RBC Brewin Dolphin
Sixth Floor, Atria One
144 Morrison Street
Edinburgh
EH3 8BR

Secretary

Mr Grant Sugden

Chief Executive

Mr Grant Sugden

Head of Corporate Services

Ms Jo Talbot (appointed 17 April 2023)
Ms Rachel Hughes (resigned 30 November 2022)

Senior Managers

Head of Health Improvement and Innovation -
Ms Claire Kofman
Senior Manager Residential Services -
Mrs Elizabeth Marr
Senior Prevention and Inclusion Manager -
Services - Ms Jo Sykes
Senior Communications Manager -
Ms Naimh Barton-Maynard
Senior Health Improvement Manager -
Mr Christopher Ward

Bankers

Bank of Scotland
20-22 Shandwick Place
Edinburgh
EH2 6RN

Royal Bank of Scotland
30 Nicolson Street
Edinburgh
EH8 9DL

WAVERLEY CARE

CONTENTS

	Page
Directors' report	1 - 10
Independent auditor's report	11 - 13
Statement of financial activities	14 - 15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 32

WAVERLEY CARE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Directors are pleased to present their annual Directors' report, together with the financial statements of the charitable company for the year ending 31 March 2023, 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

As Waverley Care embarks on the second year of its ambitious 5 year strategy, Scotland is at a critical and exciting point in HIV and Hepatitis C. The Scottish Government has an ambition to end new HIV transmissions by 2030 and to eliminate Hepatitis C as a public health concern by 2024.

Waverley Care is more determined than ever to play a strong and vital part in ensuring that Scotland makes the much needed progress that is required for individuals and communities across the country. We have continued to adapt our services, building on the best adjustments we made during Covid, while finding new ways to respond to the changing circumstances we find ourselves in. I continue to be so proud of our skilled and dedicated staff who have proven time and time again how agile and innovative our organisation is.

Waverley Care is well placed to drive forward the changes we need to see if Scotland is to end HIV transmissions by 2030. We are at the forefront of efforts to ensure everyone at risk has access to HIV testing and we continue to work with our NHS partners to ensure PrEP is available to all who need it across the country. Mindful of the impact of health inequalities on HIV and Hepatitis C, we continue to work hard to ensure that we respond to those individuals and communities who face the greatest barriers in accessing the vital services they need.

I am particularly proud of our growing ability to influence the policy agenda in Scotland and over the last year we have worked closely with other HIV charities to ensure that Scotland develops the right plans to end HIV transmissions. This work will need to accelerate in the years ahead to ensure that Scotland does not fall further behind in the UK and global fight to get to zero. I am also delighted that we have led on and renewed the Fast Track Cities initiative, with 5 of Scotland's cities now signed up to work with us to meet the UNAIDS HIV targets and to commit to end HIV stigma.

Our wide-ranging achievements would not be possible without all our individual supporters and funders and we remain so grateful and appreciative for your continued support and belief. As we move forward, we are confident that with your help we will be able to get to zero HIV transmissions and the elimination of Hepatitis C.

Fiona MacFarlane, Chair

WAVERLEY CARE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities

Waverley Care is Scotland's national HIV and hepatitis C Charity. Our vision is a Scotland where no one faces HIV or hepatitis C alone, where it is simple to find out your status and access the support you need. Where stigma no longer exists and open conversations about HIV, hepatitis C and sexual health are the norm.

The charitable company has just launched its new 5 year strategy for 2022-27 which sets out its ambitious and confident plans for the years ahead. Our ambitious strategy will be supported by our plans to invest in fundraising in order to develop significant growth in our fundraised income in the next 3 to 5 years. The plan highlights five key strategic priorities:

- Zero new HIV transmissions
- Elimination of hepatitis C
- Leading the way in advocacy, support and advice
- Spotlight on the needs of the more marginalised

All our work is structured around three key principles – prevent, support and influence – which will guide how we focus our fundraising, investment and operations in the years ahead.

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

Achievements and performance

Over the last year, we have continued to review and adapt our services and activities, ensuring that we build on the advances we made during the Covid pandemic, while developing our services to meet our strategic priorities and the new challenges Scotland faces. We remain mindful of the pressures NHS and local authority services face and the impact of the cost of living crisis on the already considerable health inequalities we see on a day to day basis in Scotland. We are also aware that we need to step up where we can to further play our part in ensuring everyone has access to the HIV, Hepatitis C and sexual health services they need.

Here are some of the highlights of the past financial year:

Prevent

Our work over the past year has continued to focus on raising awareness amongst key at risk groups about how to prevent new HIV and hepatitis C infections and how to access testing and harm reduction services. The groups we work with are diverse and distinct and include people who inject drugs, gay and bisexual men and all men who have sex with men and Scotland's African community. This work includes offering harm reduction services to people who inject drugs, as well as raising awareness of U=U (Undetectable=Untransmittable) and PrEP (Pre-Exposure Prophylaxis which involves the use of anti-HIV drugs before sex to reduce the chances of someone becoming infected with HIV).

We have continued to ensure communities have access to free condoms through our online service across NHS Highland, our condom distribution efforts with African community venues and venues accessed by gay and bisexual men. A key focus of our work continues to be ensuring that all communities at risk of HIV and Hepatitis C have access to the information, resources and prevention tools they need. Over the last year we have continued to focus on raising awareness amongst key at risk groups about how to prevent new HIV and Hepatitis C infections and how to access testing, PrEP and harm reduction services.

We are proud of the diverse and inclusive services we provide across the country to people who inject drugs, gay and bisexual men and all men who have sex with men, Scotland's African and Chinese communities and those living in our most remote and rural communities. This work includes offering harm reduction services to people who inject drugs, as well as raising awareness of U=U (Undetectable=Untransmittable) and PrEP. We have continued to ensure communities have access to free condoms, for example, through our online service across NHS Highland, our condom distribution efforts with African community venues and venues accessed by gay and bisexual men.

WAVERLEY CARE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Over the last year, we have continued to work closely with minority ethnic communities across the country to tackle the significant health inequalities they face in sexual health and blood borne viruses. In Glasgow, we have engaged with African communities to investigate testing preference and knowledge and use of PrEP. These investigations have impacted positively on service delivery to African communities in the west of Scotland. Our Development Manager – Minority Ethnic Health initiated a regular attendance on an African radio station, ensuring that messages about HIV and sexual health are shared in an engaging and entertaining way.

Our Chief Executive co-chaired a national short life working group – aligned to the national HIV Transmission Elimination Programme – which brought together a range of experts to consider how Scotland can widen access to PrEP to all who need it. This has resulted in Scotland adopting new needs led guidance before the rest of the UK and a workshop and report on new delivery models for PrEP. We have also worked with the community and clinicians to create new educational materials for health care professionals, supporting them to have culturally sensitive conversations with ethnic minority ethnic communities about PrEP. We look forward to building on this work in the year ahead.

We have continued to work with the most affected communities to improve awareness and access to Hepatitis B and C testing and treatment. For example, we have engaged closely with the Chinese community in Lanarkshire and Greater Glasgow and 1 in 4 of the individuals we tested have tested positive for Hepatitis B and were supported into treatment. In Greater Glasgow and Clyde, we test regularly for Hepatitis C, with over 200 individuals accessing our community testing services and 7% returning a reactive result.

We secured five year funding from the Corra Foundation to secure the long term future of our prison link project in the west of Scotland, enabling us to support individuals at risk or living with HIV and Hepatitis C in prison and on release. This work is further developing through the co-production of sexual health resources for people in prison.

We have continued to respond to Glasgow's HIV outbreak amongst people who inject drugs, by providing harm reduction advice and through collaboration in the city's WAND initiative (Wound Care, Assessment of Injecting Risk, Naloxone Provision and Dry Blood Spot/Rapid Testing) alongside a range of other NHS, local authority and third sector partners. We have continued to deliver a street based service to people who inject drugs enabling some of Glasgow's most vulnerable citizens to access testing, clean needles, treatment and other vital services.

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, this service benefitted over 20 women across Grampian, Greater Glasgow and Clyde, Lanarkshire and Lothian.

We continued to provide information and support to gay and bisexual men across Scotland on a range of issues including HIV testing, PrEP and relationships. We partnered with a range of community organisations across Lothian, Forth Valley and Highland to provide accessible testing services.

Support

Waverley Care's focus is on supporting all people to live well with HIV or hepatitis C, to access treatment and live a good quality of life. This means 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.

We know that to get to zero HIV transmissions by 2030 it is vital that we work to ensure all individuals living with HIV are attending and engaging in HIV care and treatment. There is also important work to do to find those not in care to ensure that they begin to access treatment and to enjoy the benefits that modern treatments offer.

Our services have continued to play a vital role in assisting people to access and stay in care and we have also worked closely with HIV clinics to target the most vulnerable people not in care. For example, our Health Improvement Teams have continued to address the barriers people living with HIV face in accessing services – these include stigma and self- stigma, other health issues or financial and transport issues. This has included supporting people to access all the welfare benefits they are entitled to. These issues are particularly stark and challenging for people who inject drugs and our street services in Glasgow have worked closely with addiction, homelessness and health services to ensure that people who inject drugs living with HIV are retained in HIV care.

WAVERLEY CARE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

We have continued to provide specific community informed services for Scotland's African community which enabled us to respond to the many additional challenges many members of the community face. These include issues with isolation, access to services, immigration and racism.

Numerous studies have highlighted that people living with HIV experience markedly poorer mental health than the general population. We have continued to build our peer support services to ensure that people living with HIV have access to trained, quality support from a peer living with HIV who understands the challenges they face. Over the last year, we provided x peer sessions as well as specific group sessions for women and gay men living with HIV.

Our residential centre, Milestone, has continued to operate as an intermediate care unit for people with a range of health and social needs. Over the year, we cared for 60 residents which included people living with blood borne viruses, as well as people experiencing a whole range of other issues such as homelessness and addiction. The service has been hugely successful in alleviating pressure on NHS services by improving the health of users, facilitating their safe discharge to a more positive destination. We were delighted to showcase the project's success and the collaboration with our NHS and third sector partners at a well-attended webinar with Edinburgh Voluntary Organisations Council (EVOC) last summer.

Over the last year, we invested in the Milestone building by modernising the heating and water systems and we will continue working to ensure it remains a quality environment for residents and staff in the years ahead. We have worked closely with the Edinburgh Health and Social Care Partnership and the Edinburgh Alcohol and Drug Partnership to secure longer term funding to grow and develop the service.

During the pandemic, we scaled up our live chat services to enable individuals to access information and support from us about HIV and sexual health. Our live chat services have continued to respond to over 500 queries on a range of issues. As part of a wider digital transformation project, we have been building a new website which we will launch in May 2023 to position us as the trusted and go to source of information on HIV, Hepatitis C and sexual health for all who need it across Scotland.

Influence

As Scotland's leading HIV and hepatitis C charity, Waverley Care is determined to influence and shape the policy and service environment in Scotland. This has never been more important as the country works towards a plan to achieve zero new HIV transmissions by 2030.

During the last year, we were active contributors to the HIV Transmission Elimination Oversight Group (HITEOG) which developed a proposal and set of recommendations which were submitted to the Scottish Government in the autumn of 2022. We were pleased to see the Public Health Minister announce on World AIDS Day a pilot of e-PrEP and an HIV marketing campaign and we continue to be involved in the shaping of these initiatives.

However, we remain concerned that progress towards a national HIV Transmissions Elimination plan has slowed down and Scotland is falling further behind England and Wales, both of whom have funded ambitious plans in place. We have continued to work with our colleagues at Terence Higgins Trust (THT) and National AIDS Trust (NAT) to ensure a strong united third sector HIV voice and this has enabled us to collectively engage key officials, policy makers and politicians about the key actions we believe are needed in Scotland's plan.

We were successful in using World AIDS Day to highlight HIV across Scotland's media with articles in The Scotsman, The Herald, The Scottish Sun and Glasgow Evening Times. We also had pieces on local and national radio and it was particularly heartening to support people living with HIV to tell their personal stories to the media.

We worked with the Fast Track Cities Institute and the International Association of Providers of AIDS Care (IAPAC) to begin renewing the Fast Track Cities initiative in Scotland. Fast Track Cities is a global coalition of over 500 cities signed up to meet the UNAIDS targets and to work towards ending HIV stigma. Scotland, with the exception of Aberdeen, had made little progress particularly during Covid so we worked with city stakeholders to look at how it could work in the Scottish context. We are delighted that we now have Aberdeen, Dundee, Edinburgh, Glasgow and Perth signed up and we are now supporting cities at a local level and through a national consortium to develop their plans.

WAVERLEY CARE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

We also continued to build a range of academic partnerships with the Universities of Strathclyde, Edinburgh, Stirling and Glasgow Caledonian as well as finishing oral research into our Heritage Lottery funded project focusing on the history of HIV in Scotland. This participatory research project will culminate in an exhibition at the National Library of Scotland, opening in May 2023.

Financial review

Our deficit on activities for the year, is £206,917 (2022 - surplus of £194,829). This is a good result given the challenges we faced during the financial year.

Fundraising

While Waverley Care's contract income from the NHS, Government and other statutory sources remained secure, COVID-19 had a significant impact on the charities ability to fundraise. The social distancing restrictions meant that traditional fundraising activities such as community based fundraising and in person events were very difficult to hold.

Underpinning successful delivery of our strategic priorities are ambitious plans to significantly grow our fundraised income. In October 2022, the board agreed a fundraising investment plan which seeks to triple fundraised income in the next 5 years through investing in our fundraising team to expand existing income streams while developing under-realised areas such as individual giving. We are at the early stages of the transformation plan but we've already appointed some new key roles to the team – including specialist trust and community/corporate roles – and we'll continue building on this over the coming year.

Our fundraising team raised in excess of £213,000 a good result given the challenges during the year. Building on the Great Fundraising Masterclass approach and a new Getting to Zero campaign, we are developing a new ambitious fundraising strategy that we are confident will enable us to grow our donor base across Scotland through engaging messaging that allows us to reach beyond our current core audience.

Our fundraising ambitions will be supported by the work we are doing through our Communications, Policy and Campaigning activity to position Waverley Care as Scotland's leading HIV and Hepatitis C charity. In May 2023 we launched an engaging new brand and website that will drive forward our ability to reach both people who need our services and those who want to support our work. Over the last year we have invested in our communications team with new roles focusing on digital communications and policy and campaigns and this will further strengthen our profile and reach.

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 Forth Valley, NHS Grampian, NHS Greater Glasgow and Clyde, NHS Highland, NHS Lanarkshire, NHS Lothian, the Scottish Government and West Lothian Council.

In 2022-23, the charity also received voluntary income from a large number of charitable trusts and companies including: AbbVie Ltd, Baillie Gifford, Blackrock Investment Management, Capco, CC Blooms, Chalmers Sexual Health Centre, Criterion Tec Limited, Foundation Scotland, Gilead Sciences Ltd, Gordon Fraser Charitable Trust, Health and Social Care Alliance Scotland, Heriot-Watt University Student Union, HSBC UK, Kiltwalk, Lloyds Banking Group, MAC AIDS Fund, Off The Kerb Productions, Open Mike Productions, Planet Bar & Kitchen, Pleasance Theatre Trust, Punk for Pam, GBH and STP Records, Rotary Club of Dunfermline, Royal Bank of Scotland (RBS), Sainsbury, Saints and Sinners Club of Scotland, Scottish Government, Sir Tom Hunter and The Hunter Foundation, Tesco, The Annie Lennox Foundation, The Arnold Clark Community Fund, The Bohemians Lyric Opera Company, The Lady Marian Gibson Trust, The Meikle Foundation, The National Lottery, The Netherdale Trust, The Regent Bar, The Robertson Trust, The Secret Cabaret, The Street, Viiv Healthcare, Ward Family Charitable Trust and Wood Mackenzie.

We continue to benefit from our relationship with Off the Kerb Productions and the Pleasance who raised £9,100 at their Tartan Ribbon Comedy Benefit in aid of Waverley Care. We were also grateful to receive regular and one-off donations from individual supporters of £26,015.

WAVERLEY CARE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

During the year, we also received additional funding to develop our work in a number of areas including:

- Corra Foundation provided 5 year funding to sustain and develop our prison link project
- ViiV provided funding to establish a Positive Voices project which we are establishing in the summer of 2023
- We were successful in new funding applications to the Glasgow Community Fund and the Glasgow Wellbeing for Longer Fund. Over the last year, we have continued to provide individual and group peer support to people living with HIV and intend to develop this further in the forthcoming year.
- We were able to secure a number of funding streams to support us to coordinate the national Fast Track Cities programme. 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. We reviewed our senior team in 2022 and introduced a new senior role of Head of Health Improvement and Innovation to lead on our operational services and to work closely with our fundraising teams on funding bids and grant applications.

Our Head of Corporate Services role takes a lead role in managing finance, fundraising and our people function and supports the Chief Executive on the overall running of the organisation. We have continued to benefit from a productive relationship with our accountants Azets who prepare and coproduce bimonthly management accounts which provide the board and executive team with timely, high quality financial information. Alongside this, we have been working with senior operational 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
- 12 month cash flow which is monitored regularly by Azets and our Head of Corporate Services
- 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
- A reserves policy agreed by the Board which outlines our approach to accessing and managing reserves
- A well defined fundraising 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

Over a number of years, our membership of the Lothian Pension Fund was an increasing source of concern due to the significant liability associated with membership and the increasing costs of remaining members of the scheme. 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.

Investment Powers and Policy

The Directors, having regard to the liquidity requirements of the charitable company, have kept available funds in an investment portfolio which is managed by RBC 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 charitable company 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

The Directors agreed a new reserves policy in February 2022 to ensure it meets our strategic and financial objectives going forward whereby the General Funds, including pension reserve, not committed or invested in fixed assets should be at least 6 months of the minimum resources required which amounts to £600,000. The policy highlights that the primary purpose of holding reserves is to ensure that Waverley Care has the resources to support itself in the event of unforeseen circumstances.

WAVERLEY CARE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

At the year end the General Fund amounted to £947,878. Total Designated funds at the year end were £265,678 and total Restricted funds at the year end were £651,034. The pension reserve was £1,083,325 in deficit.

Where reserves exceed the minimum level identified by the board of trustees, excess reserves provide management and trustees the ability to maximise opportunities to deliver the charitable company's objectives more comprehensively, more effectively or more quickly. It is essential the organisation maintains the ability to invest in the development of its operational and strategic proprieties to ensure that it can continue to meet the needs of all beneficiaries on an ongoing basis.

Our approach to reserves forms part of our wider financial risk management – assessing funding risks, cash flow forecasting and monitoring income and expenditure.

The charitable company remains a going concern, having secured the majority of its key funding for the financial year 2023-24 as well as some funding for the financial years 2024-25, 2025-26 and 2026-27. This includes contracts in place with the Glasgow Community Fund, NHS Forth Valley, NHS Greater Glasgow and Clyde (contract extended to June 2026), NHS Highland (contract extended to December 2024), NHS Lanarkshire and NHS Lothian for the forthcoming year and beyond. Grant and contract funding is also in place from the Edinburgh Integrated Joint Board towards Milestone and our Health Improvement Team.

The National Lottery Community Fund is funding our street work until end of 2024, while the Corra Foundation has awarded 5 year Drugs Mission funding to fund a prison project in the West of Scotland until 2027. Baillie Gifford have also just awarded us 2 year funding towards the costs of a new PrEP project until end of March 2025. We have also secured further Scottish Government Sexual Health and BBV funding for the next three years to June 2026 to support Fast Track Cities and digital health services. We are also well positioned to secure funds from any Scottish Government to support the HIV Transmission Elimination Plan.

Plans for future periods

The charitable company 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. A key priority for Waverley Care is developing our new fundraising strategy and using the investments agreed to help deliver the transformation.

The charitable company is in the second year of a 5 year strategy and a key focus for the year ahead will be continuing to implement this strategy and working with our whole staff team to support the delivery of our priorities.

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

Getting to Zero

- Ensuring our services are best placed to support Scotland's ambitions to get to zero HIV transmissions. This means seeking funds to develop services that focus on finding the undiagnosed, supporting opt out testing in hospital emergency departments, widening access to PrEP and engagement and re-engagement in care.
- Investing in our policy and campaigning work so we are able to effectively engage with politicians and policy makers to shape the Scottish Government's plans to achieve zero HIV transmissions
- Building and developing the Fast Track Cities initiative in Scotland in order to support the delivery of local city and national HIV priorities

Elimination of Hepatitis C

- We will continue to ensure we are delivering our key Hepatitis C services in Glasgow and that we have a focus on the most marginalised – for example, those experiencing homelessness or in prison

Health Inequalities

- We will continue to ensure that we are able to respond to the diverse needs of the communities most impacted by HIV and Hepatitis C including minority ethnic communities, people who inject drugs and gay and bisexual men.
- We will seek opportunities to grow and develop our work with minority ethnic communities in Scotland.

WAVERLEY CARE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Website and rebrand

- We will be launching a new brand and website for the charitable company in May 2023 and will work hard to promote the brand so that we grow our reach and support base.
- We will seek further funding to build and develop our range of digital services

Positive Involvement

- We will be appointing a Positive Voices officer to train and support people living with HIV to tell their personal stories and to support a lived experience perspective in our educational, campaigning and media work. We will seek further opportunities to grow this area.
-

Financial and income generation

- Continue to develop a financial strategy that supports a balanced budget and long term financial sustainability. The charitable company will continue to work towards full recovery of all services, while exploring further opportunities to work more effectively and efficiently
- We will develop a new ambitious income generation strategy enabling us to grow and diversify our income in a transformational way
- Continue to bid and secure contracts and ongoing support from our key statutory funding
- Building on our capacity to deliver services and operations digitally
- Implement our existing and new programmes effectively

Structure, governance and management

Governing document

Waverley Care is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 2 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 last reviewed by the Board in April 2021 when we agreed a provision for remote and virtual Annual General Meetings which was lodged with OSCR.

At a board development day on 1st April 2023, the board agreed to review its governing documents to ensure they are fit for purpose going forward. Working with our legal advisors, we envisage the review being completed by the end of 2023. We are also reviewing the scheme of delegation between the Board and Executive Team and our sub-committee structure and aim to implement any changes by autumn 2023.

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.

A list of Directors is on the Legal and Administrative Information page of this report. Steven Naismith and Lambros Karasellos resigned from the board in August and December 2022 respectively. We undertook a recruitment drive for new Directors during the year and after a strong response, we were delighted to appoint Ben Glaister, Chris Creegan, David Leitch and Lesley Wallace as Directors.

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 charitable company. The Board normally meets on a bi-monthly basis. We are currently reviewing our sub-committee structure to ensure effective governance and oversight of key areas, and we aim to have a new sub-committee structure in place by August 2023.

A Chief Executive is appointed by the charitable company's Directors to manage the day-to-day operations of the charitable company. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the charitable company's Directors, for operational matters including finance, employment and operational delivery. We are currently reviewing the scheme of delegation and will agree any changes by August 2023.

WAVERLEY CARE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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, Head of Health Improvement and Innovation, Senior Communications Manager, Senior Health Improvement Manager, Senior Residential Services Manager and Senior Prevention and Inclusion Manager.

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 charitable company'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 charitable company 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 10 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 have a risk management strategy in place which is designed to:

- record the significant risks the charitable company faces
- allocate responsibility for their mitigation along with associated management actions and timescales
- record management processes that already mitigate the risk

The organisation has developed a risk management matrix which covers 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. The Senior Management Team looks at this regularly and the risk assessment is reviewed on an annual basis by the Board of Directors.

The charity has an ongoing funding agreement with Lothian Pension Fund and factors in ongoing repayments to the fund in its financial planning. The charity remains confident that these repayments are affordable and sustainable long term. In addition, the charity closely monitors its overall financial sustainability and uses a funding risk map to identify and mitigate against any funding shortfalls caused by grants or contracts coming to an end. As detailed on page 8, the charity is also finalising an ambitious income generation strategy which will support its aim of tripling fundraised income over the next 3 to 5 years.

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.

WAVERLEY CARE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 charitable company 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.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information

Auditor

Chiene + Tait LLP (trading as CT) were appointed as auditor at the last AGM in November 2022. A resolution to re-appoint CT will be proposed at the next AGM in November 2023.

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 17 August 2023 and signed on their behalf by:



Ms Fiona MacFarlane
Chair

WAVERLEY CARE

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS AND MEMBERS OF WAVERLEY CARE

Opinion

We have audited the financial statements of Waverley Care (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including 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 2023 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

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 (incorporating the trustees' 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.

WAVERLEY CARE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS AND MEMBERS OF WAVERLEY CARE

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 where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires 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
- 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 from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the directors' responsibilities statement set out on page 10, the directors 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:

- enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected, and alleged fraud
- reviewing minutes of meetings of those charged with governance
- assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charitable company through enquiry and inspection
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness evaluating the business rational of significant transactions outside the normal course of business, and reviewing accounting estimates for indicators of potential bias.

WAVERLEY CARE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE DIRECTORS AND MEMBERS OF WAVERLEY CARE

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

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 is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's Directors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the members and the charitable company's 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, its members as a body and its 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

CT

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh, EH3 6NL

CT is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

30 August 2023

WAVERLEY CARE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	213,068	-	-	213,068	195,496
Charitable activities	4	2,331,427	-	83,269	2,414,696	2,462,860
Investments	5	13,015	-	10,608	23,623	21,114
Generating funds	6	40,063	-	-	40,063	29,295
Total income		2,597,573	-	93,877	2,691,450	2,708,765
<u>Expenditure on:</u>						
Raising funds	7	109,911	-	-	109,911	96,350
Charitable activities	8	2,587,693	35,952	89,449	2,713,094	2,445,627
Total expenditure		2,697,604	35,952	89,449	2,823,005	2,541,977
Net (losses)/gains on investments	11	(41,219)	-	(34,143)	(75,362)	28,041
Net (expenditure)/income before transfers		(141,250)	(35,952)	(29,715)	(206,917)	194,829
Gross transfers between funds		(110,000)	110,000	-	-	-
Net movement in funds		(251,250)	74,048	(29,715)	(206,917)	194,829
Fund balances at 1 April 2022		115,803	191,630	680,749	988,182	793,353
Fund balances at 31 March 2023		(135,447)	265,678	651,034	781,265	988,182

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WAVERLEY CARE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	195,496	-	-	195,496
Charitable activities	4	2,331,663	-	131,197	2,462,860
Investments	5	10,930	-	10,184	21,114
Other income	6	29,295	-	-	29,295
Total income		2,567,384	-	141,381	2,708,765
<u>Expenditure on:</u>					
Raising funds	7	96,350	-	-	96,350
Charitable activities	8	2,335,963	27,224	82,440	2,445,627
Total expenditure		2,432,313	27,224	82,440	2,541,977
Net gains/(losses) on investments	11	15,509	-	12,532	28,041
Net income/(expenditure) before transfers		150,580	(27,224)	71,473	194,829
Net movement in funds		150,580	(27,224)	71,473	194,829
Fund balances at 1 April 2021		(34,777)	218,854	609,276	793,353
Fund balances at 31 March 2022		115,803	191,630	680,749	988,182

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WAVERLEY CARE**BALANCE SHEET****AS AT 31 MARCH 2023**

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		378,477		354,380
Investments	13		821,280		881,781
			<u>1,199,757</u>		<u>1,236,161</u>
Current assets					
Debtors	14	264,363		369,678	
Cash at bank and in hand		617,192		632,380	
		<u>881,555</u>		<u>1,002,058</u>	
Creditors: amounts falling due within one year	15	(291,722)		(192,201)	
Net current assets			<u>589,833</u>		<u>809,857</u>
Total assets less current liabilities			<u>1,789,590</u>		<u>2,046,018</u>
Creditors: amounts falling due after more than one year	16		(1,008,325)		(1,057,836)
Net assets			<u><u>781,265</u></u>		<u><u>988,182</u></u>
Income funds					
Restricted funds	17		651,034		680,749
<u>Unrestricted funds</u>					
Designated funds	19	265,678		191,630	
General unrestricted funds		947,878		1,248,639	
Pension reserve		(1,083,325)		(1,132,836)	
			<u>130,231</u>		<u>307,433</u>
			<u><u>781,265</u></u>		<u><u>988,182</u></u>

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 17 August 2023



Ms Fiona MacFarlane (Chair)
Director
Company Registration No. SC253043

WAVERLEY CARE**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26		65,287		(85,695)
Investing activities					
Purchase of tangible fixed assets		(89,237)		(146,165)	
Purchase of investments		(168,421)		(135,807)	
Proceeds on disposal of investments		147,727		217,965	
Investment income received		23,623		21,114	
Net cash used in investing activities			(86,308)		(42,893)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(21,021)		(128,588)
Cash and cash equivalents at beginning of year			646,116		774,704
Cash and cash equivalents at end of year			625,095		646,116
Relating to:					
Cash at bank and in hand			617,192		632,380
Short term deposits included in current asset investments			7,903		13,736
			625,095		646,116

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Waverley Care is a private company limited by guarantee incorporated in Scotland. The registered office is Milestone House, 113 Oxfords Road North, Edinburgh, EH14 1EB.

1.1 Accounting convention

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 is a Public Benefit Entity and defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charitable company 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 charitable company, the Board has fully considered the security of future income and net asset position in the Balance Sheet at the year end.

The charitable company has secured all its key grant funding for the current year to March 2024 and a significant portion of funding to March 2025 and for some projects to March 2026. On this basis and with cash flow projections, which give consideration to the current inflationary pressures impacting costs, the charitable company 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Directors in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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 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.

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

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

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 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.

VAT

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Milestone House	over the life of the lease
Furniture & equipment	5 years
Computer equipment	4 and 10 years

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Legal status of the charity

The charitable company 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.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Directors are of the opinion that there are no significant estimates or judgements that would have a material impact on the financial statements.

3 Donations and legacies

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Donations/covenants	74,620	112,537
Events	58,679	23,459
Grants	79,569	59,500
Legacies	200	-
	<u>213,068</u>	<u>195,496</u>

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	2023 £	2022 £
Grants	2,411,957	2,448,646
Job retention scheme	-	2,914
Step-down care and other income	2,739	11,300
	<u>2,414,696</u>	<u>2,462,860</u>
Analysis by fund		
Unrestricted funds - general	2,331,427	2,331,663
Restricted funds	83,269	131,197
	<u>2,414,696</u>	<u>2,462,860</u>

5 Investments

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Interest received	207	-	207	31	-	31
Investment income	12,808	10,608	23,416	10,899	10,184	21,083
	<u>13,015</u>	<u>10,608</u>	<u>23,623</u>	<u>10,930</u>	<u>10,184</u>	<u>21,114</u>

6 Generating funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Rental income	40,063	29,295
	<u>40,063</u>	<u>29,295</u>

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
<u>Fundraising costs</u>		
Activities	-	5,994
Administration	32,209	6,214
Staff costs	71,782	74,647
Investment management	5,920	9,495
	<u>109,911</u>	<u>96,350</u>

8 Charitable activities

	Residential 2023 £	Community Services 2023 £	Total 2023 £	Total 2022 £
Staff costs	826,413	1,122,330	1,948,743	1,771,005
Depreciation and impairment	53,637	11,505	65,142	36,815
Property costs	127,776	62,714	190,490	215,826
Activities	159,558	60,219	219,777	167,413
Administration	114,490	131,472	245,962	212,020
Pension finance costs	12,745	12,745	25,490	26,578
	<u>1,294,619</u>	<u>1,400,985</u>	<u>2,695,604</u>	<u>2,429,657</u>
Share of governance costs (see note 9)	3,498	13,992	17,490	15,970
	<u>1,298,117</u>	<u>1,414,977</u>	<u>2,713,094</u>	<u>2,445,627</u>
Analysis by fund				
Unrestricted funds - general	1,255,985	1,331,708	2,587,693	2,335,963
Unrestricted funds - designated	35,952	-	35,952	27,224
Restricted funds	6,180	83,269	89,449	82,440
	<u>1,298,117</u>	<u>1,414,977</u>	<u>2,713,094</u>	<u>2,445,627</u>

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Analysis of Governance costs

	2023	2022
	£	£
Audit fees	7,890	7,270
Accountancy	9,600	8,700
	<u>17,490</u>	<u>15,970</u>
Analysed between Charitable activities	<u>17,490</u>	<u>15,970</u>

10 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Fundraising	3	2
Administration	12	9
Charitable activities	44	43
Total	<u>59</u>	<u>54</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	1,639,353	1,575,787
Social security costs	158,810	132,295
Pension costs	99,103	91,474
Redundancy costs	20,569	2,480
Other staff costs	102,690	43,616
	<u>2,020,525</u>	<u>1,845,652</u>

In addition to the staff numbers noted above, the charity uses occasional bank staff to cover ad-hoc shifts.

The Directors received no remuneration in the current or prior year and received no expenses (2022 – £74).

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 £242,610 (2022 - £247,086).

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Employees

(Continued)

During the year, the number of employees whose total remunerations exceeded £60,000 was as follows:

	2023 Number	2022 Number
60,000 - 70,000	1	-

11 Net gains/(losses) on investments

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Revaluation of investments	(37,299)	(30,895)	(68,194)	8,879	7,603	16,482
Gain/(loss) on sale of investments	(3,920)	(3,248)	(7,168)	6,630	4,929	11,559
	<u>(41,219)</u>	<u>(34,143)</u>	<u>(75,362)</u>	<u>15,509</u>	<u>12,532</u>	<u>28,041</u>

12 Tangible fixed assets

	Milestone House £	Furniture & equipment £	Computer equipment £	Total £
Cost				
At 1 April 2022	2,209,855	25,878	55,395	2,291,128
Additions	69,689	407	19,142	89,238
At 31 March 2023	<u>2,279,544</u>	<u>26,285</u>	<u>74,537</u>	<u>2,380,366</u>
Depreciation and impairment				
At 1 April 2022	1,890,553	24,850	21,345	1,936,748
Depreciation charged in the year	51,516	240	13,385	65,141
At 31 March 2023	<u>1,942,069</u>	<u>25,090</u>	<u>34,730</u>	<u>2,001,889</u>
Carrying amount				
At 31 March 2023	<u>337,475</u>	<u>1,195</u>	<u>39,807</u>	<u>378,477</u>
At 31 March 2022	<u>319,302</u>	<u>1,028</u>	<u>34,050</u>	<u>354,380</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. The net book value of Milestone House includes £8,640 relating to furniture and equipment. All the assets are used for direct charitable purposes.

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	881,781
Additions	168,421
Valuation changes	(68,194)
Decrease in cash held	(5,833)
Disposals	(154,895)
	<hr/>
At 31 March 2023	821,280
	<hr/>
Carrying amount	
At 31 March 2023	821,280
	<hr/> <hr/>
At 31 March 2022	881,781
	<hr/> <hr/>
Cost	760,965
	<hr/> <hr/>

Included in investments in 2023 is £7,903 (2022 - £13,736) held as cash.

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	233,875	348,426
Other debtors	6,983	1,214
Prepayments and accrued income	23,505	20,038
	<hr/>	<hr/>
	264,363	369,678
	<hr/> <hr/>	<hr/> <hr/>

WAVERLEY CARE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2023**15 Creditors: amounts falling due within one year**

	2023	2022
	£	£
Pension creditor	75,000	75,000
Other taxation and social security	37,058	20,860
Trade creditors	37,712	22,674
Other creditors	12,859	14,033
Accruals	56,778	59,634
Deferred income (see below)	72,315	-
	<u>291,722</u>	<u>192,201</u>

	2023	2022
	£	£
Deferred income		
Balance as at 1 April 2022	-	10,000
Amounts released to income	-	(10,000)
Amounts deferred in the year	72,315	-
Balance as at 31 March 2023	<u>72,315</u>	<u>-</u>

16 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Pension creditor	<u>1,008,325</u>	<u>1,057,836</u>

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Restricted funds

The income funds of the charitable company include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					Balance at 31 March 2023
	Balance at 1 April 2022	Income	Expenditure	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
Arts project	10,194	-	-	-	-	10,194
Craw Milestone Fund	453,016	10,608	-	-	(34,143)	429,481
Lottery Street Support Project	68,782	52,269	(52,269)	-	-	68,782
People's Postcode Lottery	-	31,000	(31,000)	-	-	-
Milestone House Upgrade	148,757	-	(6,180)	-	-	142,577
	<u>680,749</u>	<u>93,877</u>	<u>(89,449)</u>	<u>-</u>	<u>(34,143)</u>	<u>651,034</u>

	Movement in funds					Balance at 31 March 2021
	Balance at 1 April 2021	Income	Expenditure	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
Arts project	10,194	-	-	-	-	10,194
Craw Milestone Fund	530,300	10,184	-	(100,000)	12,532	453,016
Lottery Street Support Project	68,782	49,197	(49,197)	-	-	68,782
Lottery Young Start	-	32,000	(32,000)	-	-	-
Milestone House Upgrade	-	50,000	(1,243)	100,000	-	148,757
	<u>609,276</u>	<u>141,381</u>	<u>(82,440)</u>	<u>-</u>	<u>12,532</u>	<u>680,749</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 charitable company 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.

Lottery Young Start - This fund exists to develop peer-led resources with 13-24-year olds around relationship resilience.

Milestone House Upgrade - The charitable company received a grant towards the cost of upgrades to heating systems at Milestone House.

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 General funds

These are unrestricted funds which are material to the charitable company's activities made up as follows:

	Movement in funds					
	Balance at 1 April 2022	Income	Expenditure	Transfers	Revaluations, gains and losses	Balance at 31 March 2023
	£	£	£	£	£	£
General unrestricted fund	1,248,639	2,597,573	(2,697,604)	(159,511)	(41,219)	947,878
Pension reserve	(1,132,836)	-	-	49,511	-	(1,083,325)
	<u>115,803</u>	<u>2,597,573</u>	<u>(2,697,604)</u>	<u>(110,000)</u>	<u>(41,219)</u>	<u>(135,447)</u>

	Movement in funds					
	Balance at 1 April 2021	Income	Expenditure	Transfers	Revaluations, gains and losses	Balance at 31 March 2021
	£	£	£	£	£	£
General unrestricted fund	1,146,481	2,567,384	(2,432,313)	(48,422)	15,509	1,248,639
Pension reserve	(1,181,258)	-	-	48,422	-	(1,132,836)
	<u>(34,777)</u>	<u>2,567,384</u>	<u>(2,432,313)</u>	<u>-</u>	<u>15,509</u>	<u>115,803</u>

19 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the directors for specific purposes:

	Balance at 1 April 2021	Expenditure	Balance at 1 April 2022	Expenditure	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£
Milestone House refurbishment	218,854	(27,224)	191,630	(35,952)	-	155,678
Fundraising strategy	-	-	-	-	110,000	110,000
	<u>218,854</u>	<u>(27,224)</u>	<u>191,630</u>	<u>(35,952)</u>	<u>110,000</u>	<u>265,678</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.

The Fundraising strategy has been established to enable the charitable company to invest in its new fundraising strategy which is being launched in financial year 2023/24.

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 March 2023 are represented by:				
Tangible assets	113,186	155,678	109,613	378,477
Investments	449,206	-	372,074	821,280
Current assets/(liabilities)	310,486	110,000	169,347	589,833
Long term liabilities	(1,008,325)	-	-	(1,008,325)
	<u>(135,447)</u>	<u>265,678</u>	<u>651,034</u>	<u>781,265</u>
	<u><u>(135,447)</u></u>	<u><u>265,678</u></u>	<u><u>651,034</u></u>	<u><u>781,265</u></u>
	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	43,380	191,630	119,370	354,380
Investments	510,013	-	371,768	881,781
Current assets/(liabilities)	620,051	-	189,806	809,857
Long term liabilities	(1,057,836)	-	-	(1,057,836)
	<u>115,608</u>	<u>191,630</u>	<u>680,944</u>	<u>988,182</u>
	<u><u>115,608</u></u>	<u><u>191,630</u></u>	<u><u>680,944</u></u>	<u><u>988,182</u></u>

21 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	70,860	70,860
Between two and five years	23,813	58,953
	<u>94,673</u>	<u>129,813</u>
	<u><u>94,673</u></u>	<u><u>129,813</u></u>

The amount of operating lease payments included as an expense in the year was £68,680 (2022 - £71,498).

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Capital commitments	2023	2022
	£	£
At 31 March 2023 the charitable company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	-	77,131
	<u> </u>	<u> </u>

23 Pension schemes

The charitable company 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 charitable company 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 charitable company 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 charge to profit or loss in respect of the scheme was £99,103 (2022 - £90,274). Contributions totalling £11,588 (2021 - £10,221) were payable to the fund at the balance sheet date.

24 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

25 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 include in these accounts. The Lothian Pension Fund retains the right to alter the repayment plan agreement should the financial position of the charitable company materially improve.

WAVERLEY CARE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

26	Cash generated from operations		2023	2022
			£	£
	(Deficit)/surplus for the year		(206,917)	194,829
	Adjustments for:			
	Investment income recognised in statement of financial activities		(23,623)	(21,114)
	Loss/(gain) on disposal of investments		7,168	(11,559)
	Fair value gains and losses on investments		68,194	(16,482)
	Depreciation and impairment of tangible fixed assets		65,142	36,815
	Movements in working capital:			
	Decrease/(increase) in debtors		105,315	(222,211)
	Increase/(decrease) in creditors		50,008	(45,973)
	Cash generated from/(absorbed by) operations		65,287	(85,695)
27	Analysis of changes in net funds			
		At 1 April 2022	Cash flows	At 31 March 2023
		£	£	£
	Cash at bank and in hand	632,380	(15,188)	617,192
	Cash equivalents	13,736	(5,833)	7,903
		<u>646,116</u>	<u>(21,021)</u>	<u>625,095</u>
		<u><u>646,116</u></u>	<u><u>(21,021)</u></u>	<u><u>625,095</u></u>