

COMPANY REGISTRATION NUMBER: SC318036
CHARITY REGISTRATION NUMBER: SC037943

Brothers of Charity Services (Scotland)
Company Limited by Guarantee
Financial Statements
31 March 2021

CHIENE + TAIT LLP
Chartered accountants & statutory auditor
61 Dublin Street
Edinburgh
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Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2021

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Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Charity Information

Year ended 31 March 2021

Reference and administrative details

Registered charity name Brothers of Charity Services (Scotland)

Charity registration number SC037943

Company registration number SC318036

Principal office and registered office Triest House
Bridge Street
Galashiels
TD1 1SW
Scotland

Directors/Trustees

Bro JF O'Shea
Bro RN Corcoran
Bro PJ Killoran
Mr W Byrne
Mr TD Lynch
Mr CA Heggie
Mrs SA Govan (Resigned 7 October 2021)

Chief Executive Charmian Ledsham Director of Care and Support (to 21/01/2021)
Jane Moore Director of Services (from 01/07/2021)

Company secretary Jane Moore

Auditor Chiene + Tait LLP
Chartered accountants & statutory auditor
61 Dublin Street
Edinburgh
Scotland
EH3 6NL

Bankers Principal Bankers
Royal Bank of Scotland
36 St Andrew Square
Edinburgh
Scotland
EH2 2AD

Bankers Allied Irish Bank (GB)
19 Charlotte Square
Edinburgh
EH2 4DE

Brothers of Charity Services (Scotland)

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Charity Information *(continued)*

Year ended 31 March 2021

Solicitors

Lindsays
1 Royal Bank Place
Buchanan Street
Glasgow
Scotland
G1 3AA

Investment Managers

Rathbones Investment Management
The Stables
Levens Hall
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Brothers of Charity Services (Scotland)

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

The Board, who are the trustees of the charity for the purposes of charity law and directors for the purposes of company law, are pleased to present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with 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), (Charities SORP- FRS 102), the Charity and Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Companies Act 2006.

Structure, governance and management

Brothers of Charity Services (Scotland) was incorporated as a company limited by guarantee on 7 March 2007 and was registered as a Scottish Charity on 12 March 2007. The organisation was setup to provide relief and support to those experiencing disability, to promote the interests of those in need of such relief and support, and to develop new ways of providing this relief and support to those in need. All of the above will be done in fidelity to the spiritual heritage of the Brothers of Charity and to the inspiration and example of their founder Canon Peter Joseph Triest.

Brothers of Charity Services (Scotland) is governed by its Memorandum and Articles of Association which were lodged with Companies House on incorporation and reviewed by OSCR on registration as a charity. A review of the Articles of Association was carried out in June 2019 and a further review is scheduled for March 2022 to ensure governance remains effective and flexible to adapt to future developments.

Membership of the organisation is restricted to someone who is a member of The Congregation of the Brothers of Charity. The maximum liability of each member is limited to £1. The members of the organisation are the Directors and as such have the power at any time to co-opt new directors. New Directors are recruited through nomination by existing Directors or members of the executive team with consideration of the skills and experience individuals may bring to complement those existing, following which they meet with the executive team in order to find out more about the organisation and the role. If the individual, then wishes to continue with the process they will meet with the Chairperson who can recommend to the Board that the individual becomes a Director. Once appointed Directors will receive induction individually or as a group, and all Directors are offered places on relevant external training courses that become available. The maximum number of Directors is twelve and a Director must retire after serving for nine years and cannot be re-elected until a further year has elapsed.

The Board is comprised of its Directors who meet at least four times a year; it approves the operating plan and budget for the forthcoming year and at each meeting monitors services and financial performance and outcomes along with progress towards strategic objectives. The Board operates with an audit sub-committee who meet at least twice a year to scrutinise the areas of risk management, (including a detailed review of the high profile risks of the organisation, and health and safety annual report), financial reporting, external audit recommendations and progress and quality monitoring, the sub-committee then prepare reports as required on their areas of responsibility. As a result of the COVID-19 pandemic, all Board and Committee meetings were held online.

The Board

The Directors of the charitable organisation are its Trustees for the purpose of Charity Law and throughout the remainder of this report are referred to as the Trustees.

The Trustees who held office since 1 April 2020 are listed on page 1.

In January 2021 we were all deeply shocked and saddened by the tragic news of the sudden death of Charmian Ledsham our Director of Care and Support Services, (Chief Executive). Charmian had been a key part of our organisation for 24 years leading it since 2014, a role that she carried out with an energy and drive that assisted our development and progression. Charmian was a keen advocate for the needs of all involved in social care and someone who inspired so many of her colleagues, as well as being a highly respected and regarded profession who had a true passion for the mission and values of our organisation. We extend our heartfelt condolences to Charmian's family and to all who knew and worked with her.

Brothers of Charity Services (Scotland)

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

The Board *(continued)*

Key management of the of the organisation was until January 2021 carried out by an executive team consisting of the Director of Care and Support Services, (Chief Executive), and the Director of Finance and Central Services, (Deputy Chief Executive), and supported by a Senior Management Team. Following the sudden death of the organisation's Director of Care and Support Services in January 2021 the Board delegated temporarily the key management of the organisation to the Director of Finance and Central Services who carried out this function assisted by the Senior Management Team.

In May the Board reviewed the organisation's structure and with a view to having in place key management that would assist the strategic direction and development of the organisation, its services, quality and financial resilience implement a revised structure. The new structure sees the key management of the organisation being carried out by a new Director of Services, formerly Director of Finance and Central Services, who also performs the roles of Chief Executive and Company Secretary assisted by a Senior Management Team comprising Senior Manager of Development and Quality, Senior Manager of Care Services, Central Services Managers.

Remuneration policy & employees

The organisation ensures that all staff involved in the delivery of care and support services receive no less than the Living Wage. There are agreed pay scales in operation cover all staffing posts and any changes to remuneration out with the annual pay award must be assessed and justified using set evaluation criteria.

The pay award is considered and determined by the Board of Trustees on an annual basis. Decisions are based after consideration of affordability, sustainability and competitiveness within the third sector employment trends.

Related parties and co-operating organisations

The Congregation of The Brothers of Charity UK, is considered to be a related party as it shares three common trustees however, it is not considered to be a controlling party of Brothers of Charity Services (Scotland). Details of transactions between the two organisations is included in note 32 to the financial statements.

There are no other formal links or associations with other charitable bodies or organisations however the organisation will collaborate with like mind organisations to advance and improve care and support services in our communities.

Objectives and activities

Our purpose

Is to provide care and support to individuals that makes a real and meaningful difference to their lives, by enabling them to live, better more independent lives. We passionately believe that for care to be truly meaningful it must be focused on listening to the individual we support and led by them, always active, responsive.

Our vision

A society where everyone belongs and is valued for who they are.

Our mission

To support people to lead their own life and achieve their dreams and goals.

Our values

At the core of all we do at Brothers of Charity Services (Scotland) are our values:

CARE – respect and dignity at all times for the people we support, the people we work with and for the nature and the environment.

COMPASSION – through relationships based on empathy, respect and dignity.

COMMITMENT – dedication and passion to improve skills, knowledge and care.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Objectives and activities *(continued)*

Our values

COURAGE – to do the right thing and speak up when we have concerns and to have ability and vision to innovate and embrace new ways of working.

COMMUNICATION – listening 'No decision about me without me'.

Services and activities we deliver

- Supported living – in our Together Borders Services we support individuals flexibly in their own homes and daily lives to experience maximum independence, health and wellbeing and inclusion in their local community. Each person is assisted to achieve the particular outcomes that are important to them. Support arrangements vary according to the person's needs, ranging from short periods of daily support or at particular times across the week to a 24hr service with overnight support on a sleepover or waking basis.
- Care at home – our Together Borders Services also have a designated service team to individuals with a range of age and health related needs, helping people to manage and maintain their wellbeing through daily practical and personal care assistance.
- Care home service – Garden Villa is the location of our Care Home which provides accommodation with twenty-four-hour support and day time nursing care to individuals who have a learning disability and significant health needs. The Service also provides short breaks. The support offered aims to enable individuals to experience a safe and fulfilling lifestyle, which maximises their health and wellbeing through skilled support.
- Training for employment – Working Together Social Enterprises (WTSE) provides training for employment, accredited skills and work related experience for individuals with a learning disability.

Strategic direction – aims, objectives and goals

This year has been a mix of old and new as we conclude and evaluate where we are as an organisation in 2020 against where we envisaged we would be in our 2016 – 2020 strategic plan and the new, developing our key aims, objectives and goals for 2021 – 2025.

Our 2016 – 2020 plan had five areas of focus, development, quality, workforce, impact and contribution and, governance. During the first half of the financial year the management team met bi-monthly to monitor progress against the plan and to look to identify potential projects that are of continuing relevance to our future activities. The management overall summary results indicate some forms of progress in most areas and some areas where further action will be necessary in our new plan:

Development

- Expansion in service deliver through award of contract for care at home services.
- External funding received to support range of social enterprise activities.
- Acceptance on to the National Flexible Framework for care and support services.

Quality

- Healthy working lives gold standard award achieved and retained.
- Investors in People accreditation maintained throughout period.
- ISO 9001 standard accreditation.

Workforce

- Steady increase in staff holding relevant Scottish Vocational Qualifications.
- Staff turnover has increased and is out with performance indicators.
- Primary staff engagement platform 'Our voice' is operational with changes being made to extend its effectiveness.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Strategic direction – aims, objectives and goals *(continued)*

Impact and Contribution

- Individual services reviews reflect that support delivery is considered effective in enabling progress towards personal outcomes.
- Initiatives are in place to promote and support healthy lifestyles and opportunities for social connection.
- We have maintained an active involvement in local partnership groups.

Governance

- Financial systems are in operation to support effect scrutiny and decision making.
- Skills audits reflect an effective range of skills of Trustees and senior management.
- Areas of responsibility and delegation have been implemented and are scrutinised at senior level to maintain effectiveness.

Developing our new strategic action plan whilst continuing to adapt to the impact of the Covid-19 pandemic has proved to be both a challenge and an opportunity to reflect on what we have learned and how we can take this forward to improve our effectiveness. The other key drivers we have consider are:

- Wellbeing and resilience – Covid-19 has made an impact on all aspects of our life and exhaustion, frustration and anxiety are a reality. We need to ensure that as we go forward we do so in a way that recognises the impact and supports recovery and resilience.
- Social Care reform – status, recognition, pay and conditions, and resources have been highlighted by independent review as areas of action and we will do what we can to see a better deal for social care.
- Communication – the ability to listen and share feedback on what we do and how we do it is key to making the positive difference we are striving for and we will implement methods that enable open and honest communication for the people we support and our team.
- Technology to drive change – to improve what we do and how we do it.
- Sustainability – ensuring we working differently to protect and respect, our environment and support our communities

Our strategic journey now focuses on

Our Focus	What we will do	Why we will do it	How we will do it
People we Support	Working in partnership we will deliver care and support services that make a positive difference.	We are passionate about helping and supporting others to live their best life.	<ol style="list-style-type: none">1. We will build relationships that have the people we support at the centre.2. Working together we will develop services that are responsive and flexible.3. Establish a range of methods to ensure you can tell us quickly and easily if we are getting it right.
People Development	Develop and retain the next generation of social care professionals.	Our Organisation's future is heavily dependent on our people and it is essential that we have teams that feel listened to supported and valued.	<ol style="list-style-type: none">1. Create an engaging culture and career opportunities that make people want to work here.2. Develop skills, knowledge and abilities that will expand the potential of our teams and organisation.3. Establish a tangible culture that motivates our teams.

Brothers of Charity Services (Scotland)

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Strategic direction – aims, objectives and goals *(continued)*

Our Focus	What we will do	Why we will do it	How we will do it
Service Excellence	Develop, implement and maintain systems to continuously monitor what we do and how we do it to ensure we are delivering quality, compliant and effective services.	To make a positive difference we must have systems will ensure we can succeed.	<ol style="list-style-type: none">1. Invest time and resources in quality management.2. Ensure our team have the resources and equipment they need to carry out their role.3. Streamline our processes and transition to a paperless organisation.
Sustainability	Adopt new ways of working, that protect our environment, support our communities and strengthen our ability to continue what we do and reach people in need.	To be able to continue our Mission to help, support and care we must be able to be a sustainable organisation.	<ol style="list-style-type: none">1. We will adopt methods of operating that will achieve a reduction in our carbon footprint and cultivate a culture of green thinking.2. We will partner with our communities to develop projects that can bring us together and promote fair working practices and diversity throughout the organisation.3. Maximise opportunities to develop and grow sustainable services and by improving the efficiency of the organisation generate more funds to facilitate this.

The projects that will flow from our strategic plan have been constructed to ensure they are specific, measurable using key performance indicators, (e.g. service users' responses, staff turnover, absence rates, services range expansion, reduction in energy usage and carbon footprint) are achievable with focused work, relevant to what we do, and are time bound. Progress will be monitored quarterly by senior management team and results scrutinised at Board meetings.

Achievements and performance

Service activities

Supported living services have provided a range of individually tailored support throughout the year covering smaller packages of support (often with additional flexible help or guidance), support to people living with families and 24-hour support in single, shared or collocated accommodation. The service hours delivered have increased this year due to health changes of services users and as a result of the closure of adult day care services. Overall the service has supported 84 service users throughout the Borders and this is in line with the previous year.

Care at home services have supported an average of 38 individuals this year compared with 40 in the previous year. The service hours delivered have decreased due initially to temporary service cancellation at the start of the pandemic as families elected to cover care services personally followed by staffing capacity difficulties and slowdown in new packages being made available.

Care home service provided 24-hour support and day time nursing support to 6 permanent residents and when Covid-19 restrictions allowed made available a respite option which could support an individual for a short break.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Achievements and performance *(continued)*

Service activities

Our supported living service, care at home service and care home service are all registered with the Care Inspectorate and following the last in person inspection in February have taken time to assess the recommendations received and looked at effective ways to ensure we continue to strengthen and improve. Our new strategic plan will have projects specifically aimed at embedding continuous improvement and internal evaluations processes to ensure we deliver the best possible service we can.

Social enterprises have been closed for periods in the year in accordance with Scottish Government Covid-19 restrictions. When operational the enterprises provided structured vocational training and work experience to individuals through our Green Works gardening and maintenance enterprise and also in catering to support our Whistlestop café. The numbers of individuals able to attend at any one time was limited and a rotational attendance schedule was developed to ensure that the enterprises could support as many of the trainees as possible. The enterprises continued throughout the year to provide employment for all of the staff in the enterprises with some of the staff stepping in to assist our supported living services and undertaking shopping and PPE deliveries. Funding applications were placed on hold during the year due to the ongoing pandemic however the time was used to look at how we can improve our enterprises and extend our reach and future projects with a focus on community partnerships, and conservation alongside an extended café will be taken forward.

Employee engagement

As an organisation we recognise the importance of our staff and their huge contribution. We participate in Investors in People, (IIP), award scheme and have in the year again been recognised with Silver level grade. The IIP consolidation review offered the following feedback and staff comments:

Your culture is one of striving to reach high performance and members of staff are motivated and dedicated to ensuring you continue to meet your vision of A society where everyone belongs and is valued for who they are. Your six core values run very deep and are embedded, and I was struck by how everyone I interviewed talked about the values being so important to them, how they live by these values and that they are at the heart of everything they do in their daily work.

You are very strong in the way you communicate and apply your core values, and you work hard to ensure these values are embedded in everything you do. I was impressed that all members of staff I interviewed were able to articulate your values. Your values are at the heart of what you do as an organisation and shape the way you operate. Values are discussed at the recruitment stage and you recruit to your values. New members of staff talked about being asked about your values at their interview and realised that they were being assessed as to whether they would fit in with them. Your Induction programme has a strong emphasis on your values. Your values run through all your training courses, which is best practice. Comments included:

“All our training courses are linked to our values.”

“Our values are embedded in everything we do.”

“They are very strict on how we behave in line with our values.”

“Our standards and values have to be high.”

We have a dedicated in house learning and development team and support and encourage a culture of learning and development. In the current year staff obtaining a Scottish Vocational Qualification increased although progress was hampered by COVID-19. We are committed to expanding knowledge sharing and introducing career pathways to ensure our staff teams have the skills and knowledge to fulfil their roles.

The effects on staff of working through the pandemic has impacted on to sickness absence and it has exceeded our key performance target ending the year at 7.79%. Similarly, we have seen an increase in staff turnover which exceed key performance targets ending the year at 18.20%. During the year we have increased occupational health support and in times of extreme challenge offered direct contact to an occupational health helpline. Going forward we aim to introduced a tailored wellbeing app and wellbeing check ins to support our staff physical and mental wellbeing.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Achievements and performance *(continued)*

Employee Engagement

How we work has changed significantly over the year and we have implemented a flexible working option for staff with roles that offer this, we also plan to review working patterns and engage with staff to ensure that working patterns are the best fit for all.

The organisation operates with fair and lawful practices and is focused on increasing opportunities for staff engagement and diversity at all levels.

COVID-19 pandemic

As the financial year started along with businesses, individuals and governments throughout the world we at Brothers of Charity had to quickly learn to continuously adapt and cope with the impact of an unprecedented global pandemic.

Our overriding priority was to keep all the individuals we support, our staff and our local community as safe as possible. In the first few days and weeks how best to do this became a daily challenge as the government and NHS guidelines updated to reflect the growing impact of COVID-19. Our staff pushed aside their own concerns and anxieties and responded with the upmost care, compassion and professionalism to ensure the organisation remained able to provide the much needed care to the individuals we support.

COVID-19 has had a profound impact for each of us but it has been exceptionally difficult for the people we support. For individuals with a learning disability, it was hard to take in COVID-19 and make sense out of what was happening. Being able to see and visit families and friends wasn't possible, outdoor activities restricted or stopped and wearing a face mask and maintaining a social distance were now normal. The changes enforced feels of exclusion, isolation and anxiety and our staff worked hard to reassure and support, rearranging shift patterns and staff teams to maintain close knit support and a sense of stability in the midst of turmoil. A mix of social media platforms were used by staff to enable contact between families and friends and their loved ones and this provided a much needed comfort to all.

For the organisation COVID-19 has and continues to make its mark, in the last year every aspect of how we operate internally and externally has experienced change. There was a level of anxiety and uncertainty among our staff and we realised that we needed to respond with accurate and concise guidance and relevant information. From the early days of the pandemic daily meetings were held with care services service managers, front line managers, senior practioners and Directors to ensure a coordinated response and to provide an opportunity to support each other. Weekly in April and May senior management met to review organisational impact and action urgent changes to operations and communications to our staff.

During April 2020 all with many other social care organisations we encountered difficult at times sourcing much needed Personal Protective Equipment (PPE). At times of difficulty we were supported by Scottish Borders Council (SBC) and NHS Borders through their local hub network. As we moved into May we were able to link with local PPE suppliers and secure a regular supply. Our central services team quickly implemented a register and supply and distributing system to ensure that our front line staff had a constant supply of PPE. The costs of PPE where not a normal spend in our supported living service and the volumes required for our care home and care at home services again were not in our financial plans and we are extremely grateful for the financial assistance that has been made available at a national and local level to support these costs.

In our supported living services deliver between April and June was focused on making sure all of the individuals we support were kept safe with all new support packages placed on hold and staff picking up the gaps left by the closure of day services. Gradually service delivery returned to normally levels and by the year end through a mix of additional services hours to cover gaps in day services and support reviews our supported hours have increased.

Our care home service maintained services to its permanent residents and made extra efforts to ensure regular contact with families and friends was established and as soon as restrictions allowed quickly implemented safe visiting.

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Trustees' Annual Report (incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Achievements and performance *(continued)*

COVID-19 pandemic

Our care at home services initially received a number of cancellation of services and whilst the number of individuals supported has slightly dropped there has been a significant overall drop in support hours. The services have been placed under considerable strain throughout the year and at one point in January with a localised outbreak half the staff team were isolating or testing positive for COVID-19.

In total the organisation lost 5,273 hours to COVID-19 related absence and the ongoing impact for all of our staffs' physical and mental wellbeing of working through the pandemic is hard to quantify.

In December 2020 the individuals we support and our staff began to receive vaccinations and this did bring a momentary relief to all. In line with SBC/NHS/Care Inspectorate requirements we asked our staff to voluntarily share with us their vaccination status and we shared anonymised statistics with SBC/NHS and the Care Inspectorate.

In June 2020, in line with government and NHS guidelines voluntary twice weekly Polymerase Chain Reaction (PCR) testing was introduced for staff working in our care home service with results being shared with NHS. In January 2021, in line with government and NHS guidelines voluntary twice weekly Lateral Flow Tests (LFT) were introduced across all care services and staff asked to share results with the NHS. A voluntary twice weekly LFT option was at the same time introduced to all of our central services team.

The pandemic has and continues to throw up challenge after challenge and we take this opportunity to say a huge thank you to our amazing staff for all they have done, and to SBC, NHS Borders and the Care Inspectorate for their support throughout the year.

Financial review

The organisation's income from charitable activities for the year was £6,630,386 an increase of £387,430 on the previous year figure of £6,242,956. The increase stems from an uplift in contract rates received from local authorities to ensure payment of the Scottish living wage to staff, an increase in our supported living service hours and refunds of additional COVID-19 costs from Scottish Borders Council (SBC). Donations, legacies and grant income fell by £36,455 to £123,661, the main factor in the drop was due to lack of suitable funding to support our social enterprises which were required to close temporarily during the year in line with government lockdowns, efforts have restarted post year end to source external financial support to this service. Trading activities were also impacted by COVID-19 with income dropping to 42% of previous year level and again we are actively engaged at stabilising and growing this area post year end. Overall income boost by our supported living service stood at £6,700,832 up by £362,974, 5.7% on the 2020 position.

Expenditure on our charitable activities including support costs rose to £6,442,880 an increase of £306,799 on the 2020 figure of £6,136,081. The increase is directly linked to the factors increasing income levels, payment of Scottish Living wage, COVID-19 costs relating mainly to purchasing of PPE and additional cleaning and hygiene services, and an increase in wages and salaries through additional hours worked. Overall expenditure levels stood at £6,664,922 at the end of the year an increase of £198,971 on the previous year.

The organisation recorded an operating surplus of £35,910 before allowing for net gains/(losses) on investments, 2020 – operating deficit (£18,851). Once allowing for investment gains/(losses) the net income for the year and net movement in funds was £160,320, 2020 – net expenditure and movement in funds (£76,109).

Financial reserves

To able to continue our activities in line with our mission we need to be sustainable and must have in place a policy for retaining reserves designed to enable this. The current policy set by the Board of Trustees is a short term aim of four months' expenditure rising to six months' longer term for unrestricted reserves, having reviewed the potential risks which may need to be met by reserves during the year the Board recognise that four months will prove to be a challenge however the policy should remain.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Financial reserves *(continued)*

At the year end the general reserves of the organisation were £1,057,866 up 13.22% on the previous year (2020 - £934,358) and this equates to 47.62% of our 4-month target and 31.47% towards our 6-month target, work is ongoing to move closer to our target. In 2020 the Board of Trustees in response to the COVID-19 pandemic decided that a level of unrestricted reserves be ring fenced to cover contingencies and that this fund be reassessed annually, at the end of the year a further transfer of £18,722 was added to this fund resulting in a total fund balance of £519,357. The organisation also holds a further ring fenced fund built-up over the years from unrestricted donations and legacies and this fund received a most generous donation of £20,000 taking the fund balance to £183,314 at the yearend. Overall the organisation holds £1,760,537 in general and designated funds at the yearend, (79.2% of 4-month running costs). Currently the main reserve is the cash held on deposit with the organisation's bankers. At the year end the total held was £1,143,780 (2020 - £1,071,648).

Restricted funds are held for a specific purpose as determined by the donor and are decreasing in line with this purpose and end the year at £35,077.

Principal risks and uncertainties

The Board recognises the necessity for effective management of risk. A risk register is maintained that is subject to review every 6 months by senior management team with a report being submitted to the Audit Committee to assist in their evaluation.

The risk register has five areas of risk classification:

- Governance and management
- Operational
- Financial
- Environmental
- Compliance and regulation

Within these classifications the principal risks identified are:

Governance and management

1. Trustees skills and effectiveness – Board's skill range and dedication is restricted limiting development and progression. Risk assessment medium. Strategy to manage, active and ongoing recruiting of co-opted directors and regular review and skills evaluation to identify gaps and direct recruitment.
2. Key staff retention – potential impact of vacancies at senior level compromising operational and strategic management. Risk assessment medium. Strategy to manage, in house talent spotting and career and development pathways, attractive

Financial

1. Funding uncertainty and lack of future dated contracts and service level agreement – income level fluctuations and ability to meet expenditure. Risk assessment high. Strategy to manage ensure that we operate high quality, compliant and responsive care services, that we continually look to be innovative in our approach and build strong working partnerships.
2. Pricing policy – failure to price effectively to cover full cost of service delivery. Risk assessment medium. Strategy to manage, apply full cost recovery to contact tenders and continually review and streamline spend.

Operational

1. Sector competition – increased competition and tendering system based on low price preferences resulting in failure to secure new contracts. Risk assessment high. Strategy to manage ensure we deliver services that are high quality and receive positive feedback from individuals we support and commissioners by having embedded quality and feedback platforms to ensure we remain on track.
2. Service provision – failure to deliver compliant services resulting in complaints, regulatory downgrading and restricting ability to tender for services. Risk assessment medium. Strategy to manage ensure we have a trained and professional staff teams that are supported by robust compliance monitoring systems and regular self-evaluation reviews.
3. Staffing levels – impact of ability to deliver services. Risk assessment high. Monitor sickness absence levels and ensure backup support through regular keep in touch conversations for long term absence, return to work discussions and sign posting for wellbeing support, maintain active scrutiny of recruitment trends and campaigns, offer competitive remuneration packages, and look to strength internal

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Principal risks and uncertainties *(continued)*

Operational

4. Health and safety and environment – weaknesses leading to injury and complaints. Risk assessment medium. Strategy to manage, proactive health and safety committee, continuous review of policies and practices and ensuring staff had training to enable an understanding of related health and safety relating to post and general environment and recruitment of in house health and safety manager to reinforce importance and strengthen compliance and risk reduction.
5. Information technology systems – inadequate systems that delay and slow down operations and fail to meet the needs of the individuals we support and our staff teams. Risk assessment medium. Strategy to manage, continuously monitor system and current trends and maintain regular reviews with external consultants to ensure systems are effective. Assess options to improve linkage between software systems and streamline processing.

Environmental

1. Demographic related issues - reduction in service demand. Risk assessment medium. Strategy to manage, look to expand range of services through review of potential gaps and knowledge sharing and development of innovative service options, expand service deliver out with existing locations dependent on viability and monitor Public Contacts Scotland notifications for potential tender options.
2. National and local government policy- impact on service delivery and costs of provision. Risk assessment high. Strategy to manage, monitor trends, attend discussion events and maintain an active participation in discussions about social care reform.

Compliance

1. Failure in compliance with legislation and regulation – registration implications, reputational damage and financial penalties. Risk assessment medium. Strategy to manage, proactive policy group supported by designated staff to monitor relevant operation, financial and employment areas, external professional reviews and inspections of organisation and implementation of any areas of improvement identified.
2. Failure in regulatory reporting requirements – lack of ability to respond to information request, knowledge gaps resulting in missing deadlines and regulatory penalties and reputational damage. Risk assessment medium. Strategy to manage, clear organisational structure and areas of responsibility, internal compliance framework supported by culture of continuous improvement, and external inspections.

Investment policy and performance

The organisation engages Rathbones Investment Management to manage investments. This year as a result of COVID-19 meetings with Rathbones were restricted and an online review and survey was completed supplemented by quarterly portfolio reports and analysis. The Trustees have instructed Rathbones to operate an ethical investment policy which excludes investment in any activity that conflicts with the values, and ethos of the organisation. The investment strategy agreed with Rathbones is one of medium risk with an emphasis on longer term growth over income.

At the start of the COVID-19 pandemic in early 2020 the global economy suffered an unprecedented shock resulting in a drastic reduction in investment values and income levels. Along with many others the value of the organisation's investments fell at the end of the 2019/20 financial year. The current 2020/21 year has seen a recovery in financial markets and investment values and income streams have benefited from this.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Financial review *(continued)*

Investment policy and performance

Based on the agreed investment strategy Rathbones have applied a risk level profile compatible with this strategy. The risk profile aims to generate a return over the long term of 3% above the rate of inflation and a portfolio range which includes a substantial exposure to shares.

Income from our investments this year was £17,526 up 18% on the 2019/20 position and investment values recovered from the previous year drop and finished the year at £858,482 (2020 - £721,087). The recovery of the organisation's investment values and income in the current year has been very positive and highlights the effectiveness and high quality service received from our investment advisors Rathbones.

Plans for the future

Adult social care now finds itself in the spotlight with the media sharing the extreme challenges for all involved in the sector. Government intervention, the Feely Report recommendations and current discussions are encouraging steps to address the difficulties. For us as an organisation the focus is on a resilient recovery, our new strategic plan has working streams which ensure our energies and activities will take us closer to our mission to offer care and support that makes a difference so that we can all live our best lives.

As noted earlier in the report we have 4 areas of focus which will see us implement improved methods of communication for the individuals we support to share with us if we are getting it right and to be at the centre of service development. For our staff teams we will take forward our career pathway plans, expand learning and development opportunities improve internal communications and implement further wellbeing support by the introduction of a tailored wellbeing app. We will commit time and resources to embed stronger quality management, streamline our processes and look to transition to a paperless organisation. To improve sustainability, we move to suppliers that adopt green thinking and partner with our local communities to develop projects that can break down barriers and bring us all closer together.

Change and uncertainty are all around and we will look to be an active participant in discussions involving the future of adult social care. We will promote a career in care through information courses and improving our profile. Building relationships and partnership working with commissioners and fellow providers will be actively take forward.

The effects of COVID-19 remain with us and we will face further challenges as we go forward however we do so knowing that the organisation is held together by the overwhelming desire to help and support anyone who is in need.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Trustees' responsibilities statement

The Trustees, who are also Directors for the purposes of company law, are responsible for preparing the Trustees' 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 trustees 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 Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 9 December 2021 and signed on behalf of the board of trustees by:



Bro JF O'Shea
Trustee

Opinion on financial statements

We have audited the financial statements of Brothers of Charity Services (Scotland) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, 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 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' 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 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.

Opinion 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 Trustees' Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report 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 Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charity 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small company's exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 14 the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you 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:

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. This included but was not limited to the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
BROTHERS OF CHARITY SERVICES (SCOTLAND)**
(Continued)



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

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the Trustees and key management personnel;
- 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.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with 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 Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)

For and on behalf of

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh, EH3 6NL

14 December 2021

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

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
Income and endowments	Note				
Donations and legacies	5	20,100	16,835	36,935	43,870
Charitable activities	6	6,543,660	86,726	6,630,386	6,242,956
Other trading activities	7	11,314	–	11,314	26,880
Investment income	8	17,526	–	17,526	14,850
Other income	9	576	4,095	4,671	9,302
Total income		<u>6,593,176</u>	<u>107,656</u>	<u>6,700,832</u>	<u>6,337,858</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	10	4,523	–	4,523	4,847
Expenditure on charitable activities	11,12	6,550,833	109,566	6,660,399	6,351,862
Total expenditure		<u>6,555,356</u>	<u>109,566</u>	<u>6,664,922</u>	<u>6,356,709</u>
Net gains/(losses) on investments	14	124,410	–	124,410	(57,258)
Net income/(expenditure) and net movement in funds		<u>162,230</u>	<u>(1,910)</u>	<u>160,320</u>	<u>(76,109)</u>
Reconciliation of funds					
Total funds brought forward		1,598,307	38,965	1,637,272	1,713,381
Total funds carried forward		<u>1,760,537</u>	<u>37,055</u>	<u>1,797,592</u>	<u>1,637,272</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 21 to 37 form part of these financial statements.

Brothers of Charity Services (Scotland)

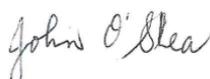
Company Limited by Guarantee

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	19	10,044	12,972
Tangible fixed assets	20	100,488	103,162
Investments	21	858,482	721,087
		<u>969,014</u>	<u>837,221</u>
Current assets			
Stocks	22	1,134	391
Debtors	23	257,430	327,495
Cash at bank and in hand		1,143,780	1,071,648
		<u>1,402,344</u>	<u>1,399,534</u>
Creditors: amounts falling due within one year	24	<u>573,766</u>	<u>599,483</u>
Net current assets		<u>828,578</u>	<u>800,051</u>
Total assets less current liabilities		<u>1,797,592</u>	<u>1,637,272</u>
Net assets		<u>1,797,592</u>	<u>1,637,272</u>
Funds of the charity			
Restricted funds		37,055	38,965
Unrestricted funds		1,760,537	1,598,307
Total charity funds	27	<u>1,797,592</u>	<u>1,637,272</u>

These financial statements were approved by the board of trustees and authorised for issue on 9 December 2021, and are signed on behalf of the board by:



Bro JF O'Shea
Trustee

Company registration - SC318036

The notes on pages 21 to 37 form part of these financial statements.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure)	160,320	(76,109)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	31,404	25,414
Amortisation of intangible assets	8,748	7,595
Net gains/(losses) on investments	(124,410)	57,258
Dividends, interest and rents from investments	(17,516)	(14,815)
Other interest receivable and similar income	(10)	(35)
Accrued expenses	90,453	185,820
<i>Changes in:</i>		
Stocks	(743)	3,009
Trade and other debtors	59,919	(143,362)
Trade and other creditors	(106,024)	(4,332)
Cash generated from operations	102,141	40,443
Interest received	10	35
Net cash from operating activities	<u>102,151</u>	<u>40,478</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	17,516	14,815
Purchase of tangible assets	(28,730)	(14,392)
Purchase of intangible assets	(5,820)	(9,626)
Purchases of other investments	(377,709)	(265,124)
Proceeds from sale of other investments	364,724	255,148
Net cash used in investing activities	<u>(30,019)</u>	<u>(19,179)</u>
Net increase in cash and cash equivalents	72,132	21,299
Cash and cash equivalents at beginning of year	<u>1,071,648</u>	<u>1,050,349</u>
Cash and cash equivalents at end of year	<u>1,143,780</u>	<u>1,071,648</u>

The notes on pages 21 to 37 form part of these financial statements.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is Triest House, Bridge Street, Galashiels, TD1 1SW, Scotland.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019) - Charities SORP (FRS 102) (second addition - October 2019), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and Liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are presented in Sterling £.

Going concern

The organisation has reserves of over £1.79m, which includes cash of £1.14m, investments of £0.85m, debtors of £0.25m. The organisation ended the year with an operating surplus of £0.035m. The trustees are of the view that the future plans of the organisation are sound and that the core efficiency and best value culture now active in the organisation has strengthen the long term future of the organisation. The trustees have reviewed and approved a budget and cash flow forecast based on prudent assumptions together with the strategy that is being developed and will come on stream in December 2021 for next four years. There are no reasons to believe that the organisation will not have sufficient funds to meet its working capital requirements for at least twelve months, from the date of approving these financial statements. The Board are of the opinion that it is appropriate for the financial statements to be prepared on a going concern basis. The trustees have assessed that the charity has adequate resources to meet the ongoing costs of the charity for a minimum of 12 months from the date of signing of the financial statements, and have taken into account in particular, the ongoing financial impact of Covid-19. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements and are satisfied that no material uncertainties exist in respect of going concern.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees and Senior Management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As 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. These estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended as necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The carrying amounts of tangible assets are disclosed in note 20 to the financial statements.

Fund accounting

Unrestricted funds are funds which can be used in accordance with charitable mission, aims and objectives at the discretion of the trustees. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purposes or projects. Restricted funds are subjected to restrictions on their expenditure declared by the donor. Expenditure incurred in line with donor restriction is charged against the specific fund along with related allocation of support costs.

The aim and use of each material designated and restricted fund is set out in the notes to the financial statements.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

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

Services Income

Service income which is generated through the provision of services is recognised through the Statement of Financial Activities in the period in which the service is performed.

Statutory authority contracts and grants receivable

Statutory authority contracts and grants receivable are recognised in the Statement of Financial Activities when any conditions for receipt are met, unless they relate to a specified future period, in which case they are deferred. If any grant has been provided for a stated purpose, it is shown as a restricted fund. Grants received for capital expenditure are recognised in the Statement of Financial Activities and transferred to a restricted fund and subsequently released annually over the expected life of the relevant asset by equal instalments.

Donations, legacies and gifts

Donations, legacies and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year-end are accounted for in income and accrued income in debtors. Statutory authority contracts and grants receivable

Trading income

Trading income represents the amounts receivable as sales from activities at our Working Together Social Enterprises and are recognised as incoming resources in the Statement of Financial Activities when the goods or services have been provided.

Investment income

Investment income is accounted for on an accruals basis.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Resources expended

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. All expenditure is accounted for on an accruals basis and is allocated directly or apportioned on the basis of ratios of activity or staffing numbers.

Charitable expenditure comprises those costs incurred by the charity on its activities and services.

Costs of trading activities comprises those costs incurred by the charity in carrying its activities at its Working Together Social Enterprises.

Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity.

Support costs comprises those costs which are incurred directly in support of expenditure on the aims and mission of the charity. These include learning and development, human resources, IT, finance, legal and professional services, premises and office costs.

Support costs are allocated to each of the activities on one of the following bases: floor space, staffing numbers or income and activity levels depending on the nature of the support costs, to best allocate the costs to each attributable heading.

The charity is not registered for VAT and accordingly costs are stated inclusive of applicable VAT.

Operating leases

Operating leases are recognised as an expense over the lease term on a straight-line basis.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

Intangible assets

Intangible assets that meet the required criteria for an intangible asset are capitalised where they have a value over £1,000, either individually or as part of a group.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

IT software, consultancy and training - 3 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets costing more than £1,000, either individually or as part of a group, are capitalised at their cost when purchased.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Depreciation

Depreciation is provided to write off the cost less an estimated residual value, of all tangible assets evenly over their expected economic useful lives on a straight line basis.

Tenants improvements	-	20 years
Plant and machinery	-	7 years
Motor vehicles	-	5 years
IT equipment & software	-	3 years

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals in the year.

The charity does not acquire put options or derivatives or other complex financial instruments.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the charity is the volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities within particular sectors or sub sectors.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stock of finished goods and goods for resale are included at the lower of cost or net realisable value.

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 trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at bank and in hand

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

Defined contribution plans

The charity contributes to personal pensions of staff both contractual and to meet auto enrolment requirements. The charity's contributions to the scheme and to the personal pensions are charges to the Statement of Financial Activities as they accrue.

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 estimate reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

The company is recognised as a charity by HM Revenue & Customs and is exempt from Corporation tax. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s.256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

4. Limited by guarantee

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	20,100	35	20,135
Grants			
Grants receivable	—	16,800	16,800
	<u>20,100</u>	<u>16,835</u>	<u>36,935</u>

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	27,310	–	27,310
Grants			
Grants receivable	–	16,560	16,560
	<u>27,310</u>	<u>16,560</u>	<u>43,870</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Supported living services	5,552,917	–	5,552,917
Care at home services	407,249	–	407,249
Care home services	568,540	–	568,540
Grants receivable - Social enterprises	–	86,726	86,726
Rental income from office premises	14,954	–	14,954
	<u>6,543,660</u>	<u>86,726</u>	<u>6,630,386</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Supported living services	5,180,279	–	5,180,279
Care at home services	403,124	–	403,124
Care home services	528,353	–	528,353
Grants receivable - Social enterprises	–	116,246	116,246
Rental income from office premises	14,954	–	14,954
	<u>6,126,710</u>	<u>116,246</u>	<u>6,242,956</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Social enterprises	<u>11,314</u>	<u>11,314</u>	<u>26,880</u>	<u>26,880</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from listed investments	17,516	17,516	14,815	14,815
Bank interest receivable	10	10	35	35
	<u>17,526</u>	<u>17,526</u>	<u>14,850</u>	<u>14,850</u>

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Housing management income	576	–	576
Learning & development income	–	–	–
Sundry income	–	–	–
CJRS	–	4,095	4,095
	<u>576</u>	<u>4,095</u>	<u>4,671</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Housing management income	494	–	494
Learning & development income	7,860	–	7,860
Sundry income	948	–	948
CJRS	–	–	–
	<u>9,302</u>	<u>–</u>	<u>9,302</u>

10. Investment management costs

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Portfolio management	<u>4,523</u>	<u>4,523</u>	<u>4,847</u>	<u>4,847</u>

11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Supported living services	4,781,382	4,095	4,785,478
Care at home services	367,959	–	367,959
Care home services	555,628	571	556,199
Social enterprises	113,665	92,360	206,025
Support costs	732,199	12,540	744,738
	<u>6,550,833</u>	<u>109,566</u>	<u>6,660,399</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Supported living services	4,521,668	–	4,521,668
Care at home services	364,660	–	364,660
Care home services	538,237	571	538,808
Social enterprises	91,907	123,874	215,781
Support costs	698,499	12,446	710,945
	<u>6,214,971</u>	<u>136,891</u>	<u>6,351,862</u>

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

12. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Supported living services	4,785,478	612,720	5,398,198	5,201,911
Care at home services	367,959	44,985	412,944	364,660
Care home services	556,199	62,801	619,000	538,808
Social enterprises	206,025	11,493	217,518	215,781
Governance costs	–	12,739	12,739	30,702
	<u>5,915,661</u>	<u>744,738</u>	<u>6,660,399</u>	<u>6,351,862</u>

13. Analysis of support costs

	Analysis of support costs Supported living services £	Analysis of support costs Care at home services £	Analysis of support costs Care home services £	Analysis of support costs Social enterprises £	Total 2021 £	Total 2020 £
Staff costs	370,177	27,178	37,942	7,077	442,374	416,146
Governance costs	10,837	792	1,110	–	12,739	14,546
Agency costs	7,265	533	745	–	8,543	1,830
Training costs	19,615	1,440	2,011	368	23,434	32,823
Rent, heat, light & water	42,172	3,096	4,322	791	50,381	48,575
Repairs & maintenance	15,544	1,141	1,593	292	18,570	17,972
Insurances	36,059	2,648	3,696	676	43,079	36,161
Computer software licences & support	39,557	2,904	4,054	742	47,257	25,675
Telephone	4,394	323	450	82	5,249	3,331
Office costs	25,656	1,884	2,630	484	30,654	18,092
Legal & professional fees	36,400	2,672	3,730	683	43,485	32,737
Depreciation	15,881	1,166	1,628	298	18,973	16,010
	<u>623,557</u>	<u>45,777</u>	<u>63,911</u>	<u>11,493</u>	<u>744,738</u>	<u>663,898</u>

14. Net gains/(losses) on investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gains/(losses) on listed investments	<u>124,410</u>	<u>124,410</u>	<u>(57,258)</u>	<u>(57,258)</u>

15. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Amortisation of intangible assets	8,748	7,595
Depreciation of tangible fixed assets	<u>31,404</u>	<u>25,414</u>

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

16. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	9,967	10,000

17. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	5,264,509	5,118,090
Social security costs	426,794	386,058
Employer contributions to pension plans	189,255	243,346
	<u>5,880,558</u>	<u>5,747,494</u>

The above wages & salaries costs include £44,447, (2020 - £111,770) in respect of agency staff costs.

The average head count of employees during the year was 253 (2020: 263). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Care services	237	246
Central services, L&D, management	16	17
	<u>253</u>	<u>263</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2021	2020
	No.	No.
£80,000 to £89,999	1	-

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £302,834 (2020: £266,227).

18. Trustee remuneration and expenses

The charity trustees were not paid or received any other benefits from employment with the organisation in the year (2020 - £nil) neither were they reimbursed expenses during the year (2020 - £nil).

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

19. Intangible assets

	IT software, consultancy, training £
Cost	
At 1 April 2020	73,658
Additions	5,820
At 31 March 2021	<u>79,478</u>
Amortisation	
At 1 April 2020	60,686
Charge for the year	8,748
At 31 March 2021	<u>69,434</u>
Carrying amount	
At 31 March 2021	<u>10,044</u>
At 31 March 2020	<u>12,972</u>

20. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	IT equipment £	Total £
Cost					
At 1 April 2020	40,356	115,841	49,975	74,685	280,857
Additions	–	10,108	–	18,622	28,730
At 31 March 2021	<u>40,356</u>	<u>125,949</u>	<u>49,975</u>	<u>93,307</u>	<u>309,587</u>
Depreciation					
At 1 April 2020	6,521	68,820	42,469	59,885	177,695
Charge for the year	2,023	11,615	5,001	12,765	31,404
At 31 March 2021	<u>8,544</u>	<u>80,435</u>	<u>47,470</u>	<u>72,650</u>	<u>209,099</u>
Carrying amount					
At 31 March 2021	<u>31,812</u>	<u>45,514</u>	<u>2,505</u>	<u>20,657</u>	<u>100,488</u>
At 31 March 2020	<u>33,835</u>	<u>47,021</u>	<u>7,506</u>	<u>14,800</u>	<u>103,162</u>

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

21. Investments

	Cash or cash equivalents £	Listed investments £	Total £
Cost or valuation			
At 1 April 2020	36,344	684,743	721,087
Additions	–	377,709	377,709
Disposals	(14,706)	(350,018)	(364,724)
Gains/losses on disposal and revaluation	–	124,410	124,410
At 31 March 2021	<u>21,638</u>	<u>836,844</u>	<u>858,482</u>
Impairment			
At 1 April 2020 and 31 March 2021			–
Carrying amount			
At 31 March 2021	<u>21,638</u>	<u>836,844</u>	<u>858,482</u>
At 31 March 2020	<u>36,344</u>	<u>684,743</u>	<u>721,087</u>

All investments shown above are held at valuation. The split between unrealised gains/losses is as follows, unrealised gains/losses £79,698 and realised gains/losses £44,712.

Financial assets held at fair value

All investments are carried at their fair value. Investments in equities and fixed interest securities are traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset additions and disposals are recognised at the date of trade cost, that is their transaction value.

22. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>1,134</u>	<u>391</u>

23. Debtors

	2021 £	2020 £
Trade debtors	153,579	168,963
Prepayments and accrued income	85,729	97,402
Other debtors	18,122	61,130
	<u>257,430</u>	<u>327,495</u>

24. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	8,999	22,155
Accruals and deferred income	451,655	393,696
Social security and other taxes	29,434	113,983
Other creditors	83,678	69,649
	<u>573,766</u>	<u>599,483</u>

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

25. Deferred income

	2021 £	2020 £
At 1 April 2020	5,834	28,182

26. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £189,255 (2020: £243,346).

The Charity contributes to a personal pension plan for the benefits of employees. The assets of the scheme are held separately from those of the charity. Contributions payable by the Charity amounted to £189,255 (2020 - £243,346). Amounts totalling £28,410 (2020 - £23,391) were included in other creditors of which £11,912 (2020 - £14,665) is the charity's contribution.

27. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
General funds	934,358	6,573,176	(6,555,356)	(18,722)	124,410	1,057,866
Donations & legacies fund	163,314	20,000	–	–	–	183,314
Contingencies fund	500,635	–	–	18,722	–	519,357
	<u>1,598,307</u>	<u>6,593,176</u>	<u>(6,555,356)</u>	<u>–</u>	<u>124,410</u>	<u>1,760,537</u>

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
General funds	1,526,791	6,177,742	(6,217,713)	(495,204)	(57,258)	934,358
Donations & legacies fund	138,109	27,310	(2,105)	–	–	163,314
Contingencies fund	–	–	–	500,635	–	500,635
	<u>1,664,900</u>	<u>6,205,052</u>	<u>(6,219,818)</u>	<u>5,431</u>	<u>(57,258)</u>	<u>1,598,307</u>

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

27. Analysis of charitable funds *(continued)*

Designated Funds

Donations & legacies fund

This fund has been ring-fence as designated by the Board of Trustees and is to be used at their discretion to fund projects that would improve the quality or efficiency of the services we provided to the individuals we support. In the year an unrestricted donation of donation was received from a donor who has made similar donations in the past and this amount has been allocated to this fund. No amounts were expended from the fund in the current year.

Contingencies Fund

The contingencies fund represent an amount ring-fenced by the Board of Trustees to cover additional costs resulting from emergencies. The fund is subject to annual revaluation based on a percentage of the redundancy costs should the charity cease operations, the transfer of £18,722 represent the adjustment required to maintain the required balance at the yearend date.

Restricted funds

	At 1 Apr 2020	Income	Expenditure	Transfers	Gains and losses	At 31 Mar 2021
	£	£	£	£	£	£
WTSE Donations	2,676	4,130	(4,095)	–	–	2,711
WTSE GW Grants motor vehicles	7,499	–	(5,000)	–	–	2,499
WTSE Leader Grant cafe	10,833	–	(634)	–	–	10,199
Care Home Specialist bed	2,474	–	(571)	–	–	1,903
L&D Grants	15,483	16,800	(12,540)	–	–	19,743
WTSE SBC Grant	–	55,337	(55,337)	–	–	–
WTSE YS	–	–	–	–	–	–
Community Fund	–	13,889	(13,889)	–	–	–
WTSE The Robertson Trust	–	17,500	(17,500)	–	–	–
	<u>38,965</u>	<u>107,656</u>	<u>(109,566)</u>	<u>–</u>	<u>–</u>	<u>37,055</u>

	At 1 Apr 2019	Income	Expenditure	Transfers	Gains and losses	At 31 Mar 2020
	£	£	£	£	£	£
WTSE Donations	4,134	–	(1,458)	–	–	2,676
WTSE GW Grants motor vehicles	13,196	–	(5,697)	–	–	7,499
WTSE Leader Grant cafe	11,306	–	(473)	–	–	10,833
Care Home Specialist bed	3,045	–	(571)	–	–	2,474
L&D Grants	16,800	16,560	(12,446)	(5,431)	–	15,483
WTSE SBC Grant	–	55,337	(55,337)	–	–	–
WTSE YS	–	–	–	–	–	–
Community Fund	–	49,242	(49,242)	–	–	–
WTSE The Robertson Trust	–	11,667	(11,667)	–	–	–
	<u>48,481</u>	<u>132,806</u>	<u>(136,891)</u>	<u>(5,431)</u>	<u>–</u>	<u>38,965</u>

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

27. Analysis of charitable funds *(continued)*

Restricted Funds - Working Together Social Enterprises (WTSE)

WTSE Donations

This fund is comprised of donations received over the years to support the operations of our social enterprises, £35, (2020 - £nil). In the year £nil, (2020 - £1,458) was expended in line with this purpose.

WTSE - Motor vehicles

A grant of £25,000 for the purchase of a pick-up vehicle for the Social Enterprises Green Works team was received during the 2016/17 financial year. The cost of this vehicle has been capitalised and included in our fixed assets. The vehicle is being depreciated over a five-year period on a straight line basis and the expenditure of £5,000 reflects the 2020/21 depreciation charge. A grant of £10,000 for the purchase of a van for the Social Enterprises Green Works team was received during the 2014/15 financial year. The cost of this van has been capitalised and included in our fixed assets. The van is depreciated over a five-year period on a straight line basis. The fund was fully expended in July 2019.

WTSE - Leader Grant

A Leader Fund Grant of £12,573 was received in 2017/18 financial year as a contribution towards the setup costs of the Whistlestop café at our Social Enterprises with the charity providing match funding. The setup cost for fixtures, fittings and equipment have been capitalised and included in our fixed assets. The costs of setup are depreciated over a 20-year term on a straight line basis and the expenditure of £634 represents the depreciation charge for the year.

WTSE - SBC Grant

Scottish Borders Council (SBC) awarded an annual grant of £55,337 towards the cost of operating our Social Enterprises in April 2018 and this grant has been fully expended in the year.

WTSE - Young Start Community Fund

Yong Start Community Fund awarded a 12 month grant of £33,333 towards the costs of operating our Social Enterprises in September 2019. The income and expenditure are the pro rata element of this grant. The grant was fully expended in the year.

WTSE - The Robertson Trust

The Robertson Trust awarded a grant of £52,500 towards the costs of operating our Social Enterprises in August 2019. The grant is payable in three equal instalments annually of £17,500 over the period 1 August 2019 to 31 July 2022. The charity provided match funding in line with the conditions of award of the grant. The income for the year of £17,500 was fully expended in line with the conditions of the grant.

Restricted Funds

Care Home Specialist bed Grant

A grant of £4,000 was received in the 2016/17 financial year to part fund the purchase of a specialist respite bed for our Care Home. The cost of the specialist bed has been capitalised and included in our fixed assets. The cost of the specialist bed is being depreciated over a seven-year term on a straight line basis and the expenditure of £571 relates to the depreciation charge for the year.

Learning & Development Grants (L&D)

A grant of £16,800 was received in the year from the Flexible Workforce Development Fund and is to be used to fund training courses to support staff knowledge and skills development. A balance of £15,483 was remaining from the previous year's grant and £12,540 of this has been expended in the year. At 31 March 2021 a balance of £19,743 remains of the funding and agreement has been received with the providers of the grant for this amount to be carried forward and utilised against learning and development courses in the 2021/2022 year.

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

28. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Intangible assets	10,044	–	10,044
Tangible fixed assets	85,887	14,601	100,488
Investments	858,482	–	858,482
Current assets	1,379,890	22,454	1,402,344
Creditors less than 1 year	(573,766)	–	(573,766)
Net assets	1,760,537	37,055	1,797,592

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Intangible assets	12,972	–	12,972
Tangible fixed assets	82,356	20,806	103,162
Investments	721,087	–	721,087
Current assets	1,381,375	18,159	1,399,534
Creditors less than 1 year	(599,483)	–	(599,483)
Net assets	1,598,307	38,965	1,637,272

29. Funds received as agent or held as custodian trustee

The charity held funds in trust on behalf of service users which amounted to £3,307 (2020-£4,005) at the year end. These balances are kept separate from the funds held by the organisation and controls are in place to ensure the safe custody of funds.

In addition, third party accounts with the Royal Bank of Scotland are held in the organisation's name in respect of service users for who the organisation acts as corporate appointee. The total amount held in these accounts at 31 March 2021 was £519,662 (2020-£678,612). The Royal Bank of Scotland now have a client deposit manager account in operation which allows the organisation to manage service users' funds with the account being held in the service users' name, all new corporate appointee funds are held in the new accounts and the bank are progressing with transfer of existing accounts to this format.

30. Analysis of changes in net debt

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	1,071,648	72,132	1,143,780

31. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	67,200	67,200
Later than 1 year and not later than 5 years	268,800	268,800
Later than 5 years	59,100	126,300
	395,100	462,300

Brothers of Charity Services (Scotland)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

32. Related parties

The Congregation of The Brothers of Charity Services UK, (BOC UK) is considered to be a related party as it shares three common trustees however, it is not considered to be a controlling party of Brothers of Charity Services (Scotland).

Recognised within income and expenditure on the face of the Statement of Financial Activities (SOFA) are sums of £105,842 (2020 - £103,766) relating to rent collected on behalf of BOC UK and repaid to them for properties administered by the Charity. During the year £105,842 was repaid along with a refund adjustment of £5,430(2020 - £91,000) to BOC UK in respect of these properties and the remaining balance of £61,918(2020 - £67,348) is included within Other Creditors falling due within one year at the year end.

During the year BOC UK made payment of £47,660 towards amounts due to the charity in relation to the upkeep, maintenance and similar costs relating to the Gattonside side owned by BOC UK and a further £10,819 adjustment was leaving a balance remaining of £1,718 (2020 - £60,197) which has been included in Debtors at the year end.

During the year the Charity paid £18,425 to BOC UK for the rental of the Care Home property at Gattonside which is owned by BOC UK.

In the current and prior years, the Charity's Social Enterprises benefited from the free use of a property owned by BOC UK at Tweedbank Galashiels.

There were no other related party transactions.