

CHARITY REGISTRATION NUMBER: SC047168

Isobel Fraser Home
Financial Statements
30 September 2021

FKF ACCOUNTING LIMITED

Chartered accountants & statutory auditor
Metropolitan House
31-33 High Street
Inverness
IV1 1HT

Isobel Fraser Home
Financial Statements
Year ended 30 September 2021

	Page
Trustees' annual report	1
Independent auditor's report to the members	4
Statement of financial activities	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12
The following pages do not form part of the financial statements	
Detailed statement of financial activities	23
Notes to the detailed statement of financial activities	25

Isobel Fraser Home
Trustees' Annual Report
Year ended 30 September 2021

The trustees present their report and the financial statements of the charity for the year ended 30 September 2021.

Reference and administrative details

Registered charity name Isobel Fraser Home
Charity registration number SC047168
Principal office 4A Mayfield Road
Inverness
IV2 4AE

The trustees

D Henderson	Resigned 1 September 2021
R S Cole-Hamilton	
R McPhee	
C I Chancellor	
J Harbison	
D MacKenzie	
A Sillars	
D Connell	Resigned 4 March 2022
I Whyte	
A Munro	Deceased 29 May 2022
J McIntosh	
E Grant	

Auditor

FKF Accounting Limited
Chartered accountants & statutory auditor
Metropolitan House
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Inverness
IV1 1HT

Isobel Fraser Home

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

Structure, governance and management

The Isobel Fraser Home is a Scottish Charitable Incorporated Organisation (SCIO) set up to provide equipped and staffed residential accommodation for elderly persons of both sexes who for reasons of health, age or personal circumstances find it impossible to live alone. A Board of Trustees consisting of President, Chairman, Vice-chairman, Secretary, Treasurer and other Trustees who meet no less than six times per annum conducts the affairs of the Home. A Manager and Deputy Manager are appointed by the Trustees to see to the day-to-day running of the Home.

The organisation is also sometimes known as Isobel Fraser Care Home.

Risk management

The Board of Trustees reviews the major risks the Charity faces on a regular basis and has internal control policies and procedures in place to maintain risks at a minimum.

Board of Trustees

The members of the Board of Trustees are trustees for the purpose of charity law. The Members who served during the year are as listed on page 1. New members are recommended to the Trustees and if considered suitable are co-opted during the year with their appointment being renewed by members at the following Annual General Meeting.

Investment policy

The investment policy is subject to advice given by independent professional advisors having regard to the Home's status as a charity. The aims are to maintain the capital value of the investments and to obtain a reasonable level of income.

Objectives and activities

The objectives of the Home are to provide the best possible standards of care for its residents, with appropriate attention to their individual and collective requirements. This includes the provision of high standards of accommodation and catering, personalised health care and activity programmes and a communal environment that is demonstrably safe, positive, engaging and conducive to a good quality of living experience for all residents.

Achievements and performance

We received an unscheduled visit from the Care Inspectorate in September 2022 in which we received high grades again, over the 3 areas which were assessed. We received two Very Good grades for care and management, and one Good grade for environment, and maintained our Excellent grade which was achieved 3 years ago.

Isobel Fraser Home

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

Financial review

The total income for the year was £1,419,397 compared with £1,406,763 for the previous year. The occupancy rate was again satisfactory.

The deficit for the year amounted to £32,338 compared with a deficit of £12,521 for the previous year.

We continue to review the salaries and wages at regular intervals in order to recruit the quality of staff we feel we require. With the higher wage costs the trustees consider the results to be acceptable.

Following a professional valuation in September 2022 the buildings have been insured at a replacement value of £5.23 million.

The trustees have considered the financial position of the charity and assessed the risks facing its business. In making this assessment they have considered the charity's ability to meet its future liabilities as they fall due and to comply with the financial covenants that the company has entered. The trustees have concluded that it is appropriate to use the going concern concept in preparing these financial statements. The Trustees have taken account of the possible effects of the Covid-19 crisis on its affairs and factored it into their risk register.

Trustees' responsibilities statement

The trustees 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).

The law applicable to charities in Scotland 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 charity and of the incoming resources and application of resources, of the charity 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 Charities and Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, and the provisions of the Trust Deed. 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' annual report was approved on 20 October 2022 and signed on behalf of the board of trustees by:

E Grant Trustee

R McPhee Trustee

Isobel Fraser Home

Independent Auditor's Report to the Members of Isobel Fraser Home

Year ended 30 September 2021

Opinion

We have audited the financial statements of Isobel Fraser Home for the year ended 30 September 2021 which comprise the SCIO's statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the SCIO's affairs as at 30 September 2021 and of its income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis 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 SCIO 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 SCIO's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Isobel Fraser Home

Independent Auditor's Report to the Members of Isobel Fraser Home *(continued)*

Year ended 30 September 2021

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' 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 the knowledge and understanding of the SCIO 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 in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 SCIO'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 SCIO or to cease operations, or have no realistic alternative but to do so.

Isobel Fraser Home

Independent Auditor's Report to the Members of Isobel Fraser Home *(continued)*

Year ended 30 September 2021

Auditor's responsibilities for the audit of the financial statements

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.

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks"), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of trustees and management as to the SCIO's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that donations and other charitable income are recorded in the incorrect accounting period, the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Inspecting care agreements and considering room occupancy to determine if income has been recognised in line with accounting policy.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management (as required by auditing standards). We discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations.

Isobel Fraser Home

Independent Auditor's Report to the Members of Isobel Fraser Home *(continued)*

Year ended 30 September 2021

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the SCIO is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including the Charities SORP) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the SCIO is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or through cessation of operations. We identified the following areas as those most likely to have an effect: legislation and policy related to working with vulnerable people, health and safety, employment law and aspects of company and charity legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Isobel Fraser Home

Independent Auditor's Report to the Members of Isobel Fraser Home *(continued)*

Year ended 30 September 2021

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SCIO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SCIO to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

Use of our report

This report is made solely to the SCIO's members, 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. Our audit work has been undertaken so that we might state to the SCIO's members 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 SCIO and the SCIO's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jillian Munro MA CA (Senior Statutory Auditor)

For and on behalf of
FKF Accounting Limited
Chartered accountants & statutory auditor
Metropolitan House
31-33 High Street
Inverness
IV1 1HT

20 October 2022

Isobel Fraser Home
Statement of Financial Activities
Year ended 30 September 2021

		2021		2020
	Note	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments				
Donations and legacies	4	1,335	–	1,335
Charitable activities	5	1,396,749	–	1,396,749
Investment income	6	21,313	–	21,313
Total income		<u>1,419,397</u>	<u>–</u>	<u>1,419,397</u>
Expenditure				
Expenditure on charitable activities	7,8	(1,536,386)	(400)	(1,536,786)
Total expenditure		<u>(1,536,386)</u>	<u>(400)</u>	<u>(1,536,786)</u>
Net gains/(losses) on investments	9	85,051	–	85,051
Net expenditure and net movement in funds		<u>(31,938)</u>	<u>(400)</u>	<u>(32,338)</u>
Reconciliation of funds				
Total funds brought forward		1,172,505	15,300	1,187,805
Total funds carried forward		<u>1,140,567</u>	<u>14,900</u>	<u>1,155,467</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 12 to 21 form part of these financial statements.

Isobel Fraser Home
Statement of Financial Position
30 September 2021

	Note	2021 £	£	2020 £
Fixed assets				
Tangible fixed assets	14		407,778	361,419
Investments	15		589,738	599,904
			<u>997,516</u>	<u>961,323</u>
Current assets				
Debtors	16	20,711		116,723
Cash at bank and in hand		214,591		253,913
		<u>235,302</u>		<u>370,636</u>
Creditors: amounts falling due within one year	17	<u>77,351</u>		<u>144,154</u>
Net current assets			<u>157,951</u>	<u>226,482</u>
Total assets less current liabilities			<u>1,155,467</u>	<u>1,187,805</u>
Net assets			<u>1,155,567</u>	<u>1,187,805</u>
Funds of the charity				
Restricted funds			14,900	15,300
Unrestricted funds			<u>1,140,567</u>	<u>1,172,505</u>
Total charity funds	19		<u>1,155,467</u>	<u>1,187,805</u>

These financial statements were approved by the board of trustees and authorised for issue on 20 October 2022, and are signed on behalf of the board by:

R McPhee
Trustee

The notes on pages 12 to 21 form part of these financial statements.

Isobel Fraser Home
Statement of Cash Flows
Year ended 30 September 2021

	2021 £	2020 £
Cash flows from operating activities		
Net expenditure	(32,338)	(12,521)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	52,252	42,572
Net (gains)/losses on investments	(68,690)	11,648
Dividends, interest and rents from investments	(16,073)	(16,821)
Other interest receivable and similar income	(5,240)	(768)
Accrued expenses	(32,862)	28,081
<i>Changes in:</i>		
Trade and other debtors	96,013	20,212
Trade and other creditors	(33,942)	33,635
Cash generated from operations	(40,880)	106,038
Interest received	5,240	768
Net cash from/(used in) operating activities	<u>(35,640)</u>	<u>106,806</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	16,073	16,821
Purchase of tangible assets	(98,611)	(107,156)
Purchases of other investments	(31,287)	(260,462)
Proceeds from sale of other investments	110,143	178,997
Net cash used in investing activities	<u>(3,682)</u>	<u>(171,800)</u>
Net decrease in cash and cash equivalents	(39,322)	(64,995)
Cash and cash equivalents at beginning of year	253,913	318,908
Cash and cash equivalents at end of year	<u>214,591</u>	<u>253,913</u>

The notes on pages 12 to 21 form part of these financial statements.

Isobel Fraser Home

Notes to the Financial Statements

Year ended 30 September 2021

1. General information

The charity is a Scottish Charitable Incorporated Organisation (SCIO). The address of the principal office is 4A Mayfield Road, Inverness, IV2 4AE.

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 Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Isobel Fraser Home

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Isobel Fraser Home

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	Nil
Plant and machinery	-	15% straight line
Assets under construction	-	Nil

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

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.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Isobel Fraser Home

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Life membership	–	–	120	120
Donations	1,355	1,355	100	100
	<u>1,355</u>	<u>1,355</u>	<u>220</u>	<u>220</u>

Isobel Fraser Home

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

5. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Residents fees	1,366,095	1,366,095	1,310,194	1,310,194
Government grants	30,654	30,654	78,760	78,760
	<u>1,396,749</u>	<u>1,396,749</u>	<u>1,388,954</u>	<u>1,388,954</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from listed investments	16,073	16,073	16,821	16,821
Interest receivable	5,240	5,240	768	768
	<u>21,313</u>	<u>21,313</u>	<u>17,589</u>	<u>17,589</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Charitable activities	1,514,147	400	1,514,547
Support costs	22,239	–	22,239
	<u>1,536,386</u>	<u>400</u>	<u>1,536,786</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Charitable activities	1,374,716	400	1,375,116
Support costs	14,106	–	14,106
	<u>1,388,822</u>	<u>400</u>	<u>1,389,222</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Charitable activities	1,514,547	14,873	1,529,420	1,382,418
Governance costs	–	7,366	7,366	6,804
	<u>1,514,547</u>	<u>22,239</u>	<u>1,536,786</u>	<u>1,389,222</u>

Isobel Fraser Home

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

9. Net gains/(losses) on investments

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Gains/(losses) on listed investments	<u>85,051</u>	<u>85,051</u>	<u>(30,062)</u>	<u>(30,062)</u>

10. Net expenditure

Net expenditure is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>52,252</u>	<u>42,572</u>

11. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>4,086</u>	<u>3,030</u>

12. Staff costs

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

	2021	2020
	£	£
Wages and salaries	1,058,434	1,009,955
Social security costs	87,724	70,536
Employer contributions to pension plans	18,154	18,025
	<u>1,164,312</u>	<u>1,098,516</u>

The average head count of employees during the year was 51 (2020: 53).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees (2020 - nil).

Isobel Fraser Home

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

14. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Assets under construction £	Total £
Cost				
At 1 October 2020	186,155	324,777	22,069	533,001
Additions	12,217	66,319	20,075	98,611
At 30 September 2021	<u>198,372</u>	<u>391,096</u>	<u>42,144</u>	<u>631,612</u>
Depreciation				
At 1 October 2020	27,690	143,892	–	171,582
Charge for the year	–	52,252	–	52,252
At 30 September 2021	<u>27,690</u>	<u>196,144</u>	<u>–</u>	<u>223,834</u>
Carrying amount				
At 30 September 2021	<u>170,682</u>	<u>194,952</u>	<u>42,144</u>	<u>407,778</u>
At 30 September 2020	<u>158,465</u>	<u>180,885</u>	<u>22,069</u>	<u>361,419</u>

15. Investments

	Listed investments £
Cost or valuation	
At 1 October 2020	599,904
Additions	31,287
Disposals	(110,143)
Fair value movements	68,690
At 30 September 2021	<u>589,738</u>
Impairment	
At 1 October 2020 and 30 September 2021	
Carrying amount	
At 30 September 2021	<u>589,738</u>
At 30 September 2020	<u>599,904</u>

All investments shown above are held at valuation.

Isobel Fraser Home

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

15. Investments *(continued)*

Financial assets held at fair value

All investments are carried at their fair value. Investment in equities and fixed interest securities are all 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 sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Trust is reliant on dividend yield in part to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling. A weakening in the exchange rate will improve sterling returns from foreign currency denominated holdings.

Liquidity risk is anticipated to be low as all assets are publicly traded and so the ability to buy and sell quoted equities and stock is anticipated to continue.

The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions. The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield. Total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

16. Debtors

	2021	2020
	£	£
Due from and on behalf of residents	15,594	111,290
Prepayments and accrued income	3,672	4,733
Other debtors	1,445	700
	<u>20,711</u>	<u>116,723</u>

17. Creditors: amounts falling due within one year

	2021	2020
	£	£
Due to and on behalf of residents	2,154	2,189
Accruals and deferred income	27,906	60,767
Social security and other taxes	17,264	27,489
Holiday pay accrual	-	32,771
Other creditors	30,027	20,938
	<u>77,351</u>	<u>144,154</u>

Isobel Fraser Home

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

18. 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 £18,154 (2020: £18,025).

19. Analysis of charitable funds

Unrestricted funds

	At 1 October 2020 £	Income £	Expenditure £	Gains and losses £	At 30 September 2021 £
General funds	<u>1,172,505</u>	<u>1,419,397</u>	<u>(1,536,386)</u>	<u>85,051</u>	<u>1,140,567</u>

	At 1 October 2019 £	Income £	Expenditure £	Gains and losses £	At 30 September 2020 £
General funds	<u>1,184,626</u>	<u>1,406,763</u>	<u>(1,388,822)</u>	<u>(30,062)</u>	<u>1,172,505</u>

Restricted funds

	At 1 October 2020 £	Income £	Expenditure £	Gains and losses £	At 30 September 2021 £
Fixed Assets	<u>15,300</u>	<u>—</u>	<u>(400)</u>	<u>—</u>	<u>14,900</u>

	At 1 October 2019 £	Income £	Expenditure £	Gains and losses £	At 30 September 2020 £
Fixed Assets	<u>15,700</u>	<u>—</u>	<u>(400)</u>	<u>—</u>	<u>15,300</u>

Isobel Fraser Home

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	392,878	14,900	407,778
Investments	589,738	–	589,738
Current assets	235,302	–	235,302
Creditors less than 1 year	(77,351)	–	(77,351)
Net assets	<u>1,140,567</u>	<u>14,900</u>	<u>1,155,467</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	346,119	15,300	361,419
Investments	599,904	–	599,904
Current assets	370,636	–	370,636
Creditors less than 1 year	(144,154)	–	(144,154)
Net assets	<u>1,172,505</u>	<u>15,300</u>	<u>1,187,805</u>

21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure		
Fixed asset investments	<u>589,738</u>	<u>599,904</u>
Financial assets that are debt instruments measured at amortised cost		
Debtors	<u>20,711</u>	<u>116,723</u>
Financial liabilities measured at amortised cost		
Creditors	<u>77,351</u>	<u>144,154</u>

22. Analysis of changes in net debt

	At 1 Oct 2020 £	Cash flows £	At 30 Sep 2021 £
Cash at bank and in hand	<u>253,913</u>	<u>(39,322)</u>	<u>214,591</u>

23. Ethical standards

In common with many other charities of our size and nature we use our auditors to assist with the preparation of statutory financial statements.

Isobel Fraser Home
Management Information
Year ended 30 September 2021

The following pages do not form part of the financial statements.

Isobel Fraser Home

Detailed Statement of Financial Activities

Year ended 30 September 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Life membership	-	120
Donations	<u>1,335</u>	<u>100</u>
	<u>1,335</u>	<u>220</u>
Charitable activities		
Residents fees	<u>1,366,095</u>	1,310,194
Government grants	<u>30,654</u>	<u>78,760</u>
	<u>1,396,749</u>	<u>1,388,954</u>
Investment income		
Income from listed investments	<u>16,073</u>	16,821
Interest receivable	<u>5,240</u>	<u>768</u>
	<u>21,313</u>	<u>17,589</u>
Total income	<u><u>1,419,397</u></u>	<u><u>1,406,763</u></u>

Isobel Fraser Home

Detailed Statement of Financial Activities *(continued)*

Year ended 30 September 2021

	2021	2020
	£	£
Expenditure		
Expenditure on charitable activities		
Wages and salaries	1,058,434	1,009,955
Employer's NIC	87,724	70,536
Pension costs	18,154	18,025
Insurances	15,679	8,692
Water charges	6,592	6,652
Light and heat	32,208	33,778
Repairs and maintenance	44,223	40,326
Legal and professional fees	7,366	6,804
Computing	3,306	
Telephone	3,754	2,795
Printing, postage and stationery	7,564	6,767
Depreciation	52,252	42,572
Entertainment	9,586	10,428
Miscellaneous expenses	3,512	3,663
Payroll processing	1,743	1,601
Health and safety	5,747	8,345
Investment management fees	3,813	3,713
Residents levy	4,710	4,396
Supplies - cleaning	26,879	22,985
Supplies - food and drink	47,466	45,263
Supplies - miscellaneous	30,737	15,366
Supplies - uniforms	2,735	2,361
Supplies - waste disposal	10,048	7,405
Bank charges	942	1,344
Training and employer support	5,852	7,889
HR costs	14,873	7,302
Bad debts	30,887	-
Public relations	-	259
	<u>(1,536,786)</u>	<u>(1,389,222)</u>
Total expenditure	<u>(1,536,786)</u>	<u>(1,389,222)</u>
Net (losses)/gains on investments		
Gains/(losses) on listed investments	<u>85,051</u>	<u>(30,062)</u>
Net expenditure	<u>(32,338)</u>	<u>(12,521)</u>

Isobel Fraser Home

Notes to the Detailed Statement of Financial Activities

Year ended 30 September 2021

	2021 £	2020 £
Expenditure on charitable activities		
Charitable activities		
<i>Activities undertaken directly</i>		
Wages and salaries	1,058,434	1,009,955
Employer's NIC	87,724	70,536
Pension costs	18,154	18,025
Insurances	15,679	8,692
Water charges	6,592	6,652
Light and heat	32,208	33,778
Repairs and maintenance	44,223	40,326
Computing	3,306	-
Telephone	3,754	2,795
Printing, postage and stationery	7,564	6,767
Depreciation	52,252	42,572
Entertainment	9,586	10,428
Miscellaneous expenses	3,512	3,663
Payroll processing	1,743	1,601
Health and safety	5,747	8,345
Investment management fees	3,813	3,713
Residents levy	4,710	4,396
Supplies - cleaning	26,879	22,985
Supplies - food and drink	47,466	45,263
Supplies - miscellaneous	30,737	15,366
Supplies - uniforms	2,735	2,361
Supplies - waste disposal	10,048	7,405
Bank charges	942	1,344
Training and employer support	5,852	7,889
Bad debts	30,887	-
Public relations	-	259
	<u>1,514,547</u>	<u>1,375,116</u>
<i>Support costs</i>		
HR costs	14,873	7,302
	<u>14,873</u>	<u>7,302</u>
Governance costs		
Governance costs - audit fees	4,086	3,030
Governance costs - legal and other professional fees	3,280	3,774
	<u>7,366</u>	<u>6,804</u>
Expenditure on charitable activities	<u>(1,536,786)</u>	<u>(1,389,222)</u>