



**ELCAP**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**COMPANY REGISTRATION NO: SC116745**

**CHARITY NO: SC003159**

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**ELCAP**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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# **ELCAP**

## **CHAIR'S REPORT**

**For the year ended 31 March 2022**

### **Introduction**

ELCAP is a Scottish charity which provides care and support for individuals who are affected by learning disabilities, physical disabilities and mental health problems.

I am pleased to present the ELCAP Annual Report for 2021/22. The report – my third and final as ELCAP Chair – paints a picture of the progress made against our strategic objectives over the course of the year. It describes how we have performed financially in a challenging operating environment and it reflects on how we managed the impacts of the COVID-19 pandemic.

ELCAP is proud to serve East Lothian and Midlothian. I hope you enjoy reading about the difference we've made to the lives of individuals in towns and villages across our community.

### **New values for ELCAP**

Our environment is fast-paced, fluid and full, so it can be difficult to know where to start when it comes to telling the story of our year. While we made good progress in lots of areas over the course of the 2021/22 financial year, perhaps our most important development was the adoption of new values.

Our previous values had much to commend them, but they were wordy and – with 10 different values – difficult to remember. An Investors in People assessment told us that there is “strong evidence that resilient and successful companies have only three to five values” and we took that guidance on board as we reflected on what matters to ELCAP.

After an in-depth consultation – involving the individuals we support, their families and our staff – in February 2022 our Executive Board agreed the following values for our organisation:

- We care – and keep on caring.
- We treat others with kindness and understanding.
- We communicate well.
- We are adaptable.
- We go the extra mile.

The first of these values reflects the nature of ELCAP's work as well as the attention and thought we give to our care and support as we strive to get it right. The value is also embodied in our logo, which subtly combines the heart with the infinity sign.

All of our values matter deeply to us. We've all experienced situations when we have been treated with kindness and understanding, and when the opposite has happened. We know how different the experiences feel and what we would prefer.

Our values describe the personal qualities we choose to embody, the sort of organisation we want to be, the manner in which we treat ourselves and others and our interaction with the world around us.

Our values help us hold ourselves and each other to account. It should be obvious when we are living by them and when we are not and like the words in a stick of Blackpool rock, they should run through everything we do.

## ELCAP

### CHAIR'S REPORT

For the year ended 31 March 2022

#### Making a positive difference to our community

ELCAP provides care and support in around 30 towns and villages across East Lothian and Midlothian, while most of our staff live and work close to home. We are proud to make a positive difference to our community.

While we have many good stories to tell, two achievements were particularly significant.

In June 2021, Colin McIlvenny was crowned *Health and Wellbeing Volunteer of the Year* in Volunteer Centre East Lothian's Inspiring Volunteering Awards.

Colin, who receives support from ELCAP, is a regular, reliable and well-regarded volunteer for East Lothian Roots and Fruits. The charity provides a wide range of services, including weekly deliveries of fruit and veg boxes and special deliveries to the homes of people who are housebound and unable to access the food co-op. Their services – and Colin's contribution to them – were never more needed during the COVID-19 lockdowns.

ELCAP's vision is that everyone, no matter their individual support needs, is able to live to their full potential and be an active and valued member of our community. Colin is the embodiment of that vision and a role model for others who are inspired by his volunteering efforts.

In March 2022, ELCAP was recognised for making the *Best Community Impact* at Midlothian and East Lothian Chamber of Commerce Business Awards. While ELCAP is a charitable, not-for-profit organisation, we are very much a business and for that reason we were delighted to be recognised by our peers.

Reflecting on ELCAP's success, Chamber Chief Executive, Karen Ritchie, said:

"The Midlothian and East Lothian Chamber of Commerce was delighted to announce ELCAP as the winner of the Best Community Impact Award for 2022. Not only are they continuing to support 230 individuals in our local community, they are pioneering innovative programmes, investing in staff and sharing best practice with other support agencies."

#### Quality matters

We want everyone who comes in contact with ELCAP to enjoy a quality experience and we use a range of quality tools to improve our performance.

EFQM, a globally recognised management framework which supports organisations in managing change and improving performance. The framework is used by household names like BMW, Bosch and Siemens – and ELCAP.

In June 2021, ELCAP was assessed against the EFQM standard by an expert international team drawn from Greece, Scotland and Sweden. The assessment was held online over the course of a week and its scope was wide ranging, covering the following themes:

- Leadership
- Strategy
- People
- Partnerships and resources

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### **CHAIR'S REPORT**

**For the year ended 31 March 2022**

- Processes, products and services
- Customer results
- People results
- Society results
- Business results

Strengths and opportunities for improvement were identified under each theme:

#### *Strengths*

- “The leadership team demonstrate and communicate purpose and vision, reinforcing this consistently throughout their people. There is a culture of trust and openness with the staff.
- The organisation has adopted self-organising teams throughout, which enables them to have a lean structure, with resources focussed through staff to the people they support.
- It has invested in improving communication of and with the people ELCAP supports (their service users), increasing their ability to be involved in the organisation, and ultimately to increase their independence.
- ELCAP invests in its people, providing a range of training and development opportunities.
- ELCAP has identified the importance of its appeal (its USP) as a local organisation, to funders and commissioners, service users and their families, and to staff.
- The quality of/satisfaction with performance is attested to through Care Inspectorate reviews, IIP, staff feedback.”

#### *Opportunities for improvement*

- “ELCAP has recently reviewed its KPIs to reflect its strategic priorities and will benefit from keeping these under review to ensure the scope is sufficiently wide and the KPIs relevant.”
- “In addition to KPIs, the organisation collects and reports on a range of data. However further consideration to how data is presented or displayed (in chart for example, over periods that are strategically relevant, with trends, targets, benchmarks) could be more coherent and informative for decision-making.
- “ELCAP positively encourages staff to be creative and put forward ideas for improvement. However, full adoption of a more systematic approach (RADAR is in use as a project tool but not consistently) could support understanding and driving the full value out of ideas and improvements.”

At the conclusion of the assessment, ELCAP was Recognised for Excellence at 4 Star level. We were pleased to make further progress on our improvement journey.

#### **The COVID-19 pandemic**

COVID-19 continued to have a significant impact on ELCAP over the course of the 2021/22 financial year.

## **ELCAP**

### **CHAIR'S REPORT**

#### **For the year ended 31 March 2022**

Due to a combination of good luck and good practice, we were over a year into the pandemic before an individual we support contracted COVID-19. As lockdown measures eased, more people caught COVID, with some requiring hospital treatment. Fortunately, everyone affected made a recovery, although the long-term effects of exposure to the virus are unknown.

We experienced 170 separate COVID-related staff absences, affecting 154 of our colleagues. We recorded 1240 days of sickness absence – over three years of staff time – for reasons related to COVID-19.

As well as the health impacts on the staff affected by the virus, COVID-19 had a knock-on effect on the individuals we support and our wider workforce. Some services had to be reduced or cancelled, while colleagues consistently stepped up the plate to provide cover where support was essential. Plugging gaps in services resulted in burn out for some front line colleagues, with a number leaving our organisation over the course of the year.

#### **Our Executive Board**

Graham Ford stood down from our Board in November 2021. Graham was nominated to the Board by our Advisory Council, which assists ELCAP to “better understand the wishes of the users of its services”.

Unfortunately, factors beyond Graham’s control meant he was unable to fulfil the role as he had hoped. Membership of our Board was otherwise stable.

Many meetings – including our Annual General Meeting and Board and Committee meetings – were held online, to keep people safe from the risks presented by COVID-19. We did well to manage our business virtually, but welcomed opportunities to meet in person and strengthen the relationships which are key to a successful Board.

#### **A National Care Service for Scotland**

In August 2021, the Scottish Government opened a consultation on *A National Care Service for Scotland*. While the content of the consultation was a little dry – it focused more on processes and structures, than on behaviours and values – ELCAP made a submission to government.

Looking to the future, we look forward to playing our part in the National Care Service. We are encouraged by the following statements in the Ministerial foreword to the consultation:

- “Social care should no longer be seen as a service of crisis intervention, but one which is there to help and support people at the earliest stage, preventing deterioration and people getting into crisis situations.”
- “Social care is an investment in our communities and our economy, so that everyone can take their part in society.”

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### **CHAIR'S REPORT**

**For the year ended 31 March 2022**

#### **Thanks to former colleagues**

Our workforce was affected by higher than average turnover in 2021/22. A number of Support Practitioners moved on from our charity for reasons including changing life priorities, COVID-19 related burnout and opportunities offered by other employers, including the National Health Service (NHS).

Some long-serving members of our office team – Phil Bartlett, Kelly Cunningham, Pauline Tracey and Jeanette Winton – left to take up new opportunities or time out.

On behalf of the Board, I thank our former colleagues for their contribution to ELCAP and wish them every success with their next steps.

#### **A note of appreciation**

ELCAP is known for the quality of our care and support, but our success as an organisation relies on the support of a number of individuals and organisations. On behalf of our Board, I wish to note our appreciation for the support we've received from:

- Our commissioners at East Lothian Health and Social Care Partnership and Midlothian Council. They make a substantial contribution to ELCAP through the purchase of services and are positive and supportive partners.
- Our dedicated staff team, who continue to go the extra mile to make a difference to the lives of the individuals we support. Their special efforts during the COVID-19 pandemic are to be commended.
- Our various suppliers, who provide us with the products and services we require, allowing us to concentrate our efforts on the individuals we support.
- Whitelaw Wells, our external auditor, for their diligence in scrutinising our financial management and for their assistance in producing this report.

Most of all, I want to thank the individuals we work with and their families and welfare guardians for placing their trust in ELCAP as their provider of care and support. It is an honour to assist people to do the things that matter to them and help them realise their ambitions.

#### **Personal reflections and best wishes**

I joined ELCAP's Executive Board in November 2014, after I retired from the Scottish Government. As a civil servant, I was responsible for the implementation of government policy on autism spectrum conditions, learning disability and sensory impairments.

The most inspiring period of my working life was when I worked on learning disability policy. I saw people whose lives were turned around when they were given trust and power to determine how they lived.

I was aware of ELCAP's success in providing quality, values-based support. I applied to join the Board because I was keen to do something practical to assist a local, respected organisation to sustain and respond to future challenges.

## **ELCAP**

### **CHAIR'S REPORT**

**For the year ended 31 March 2022**

I have been fortunate to work with great colleagues on our Board and with a committed team of hard working staff and I have been especially lucky to get to know some of the individuals ELCAP supports and to witness what they can achieve with the right assistance and the right opportunities.

As I reach the end of my term in office, I am pleased to report that our organisation is in good health and fit for the future. It has been a pleasure and a privilege to serve ELCAP as a Board member and Chair and I wish everyone involved in our charity all the very best on the next phase of their journey.



**Bette Francis**  
**Chair of ELCAP**

## **ELCAP**

### **TRUSTEES' REPORT**

**For the year ended 31 March 2022**

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 the audited accounts of the charity for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **About ELCAP**

ELCAP is a Scottish charity which provides care and support for individuals who are affected by learning disabilities, physical disabilities and mental health problems.

We are passionate about making a real difference to the individuals we support, by enabling them to live better, more independent lives within our community.

We are proud to service the communities of East Lothian and Midlothian.

##### **Vision, mission and objectives**

###### ***Our vision***

Our vision is that everyone, no matter what their individual support needs, is able to live to their full potential and be an active and valued member of our community

###### ***Our mission***

Our mission is to become the recognised gold standard in social care by empowering the individuals we support, our staff and our community to grow and succeed.

###### ***Our values***

- We care – and keep on caring.
- We treat others with kindness and understanding.
- We communicate well.
- We are adaptable.
- We go the extra mile.

###### ***Our objectives***

Our strategic objectives are:

- Enhancing the quality of our care and support.
- Developing our workforce.
- Diversifying our income and making best use of our resources

## **ELCAP**

### **TRUSTEES' REPORT**

**For the year ended 31 March 2022**

- Demonstrating our impact and raising our profile
- Connecting with communities and extending our reach

#### **The individuals we support**

We are guided by our vision at all times, which means that the individuals we support are at the heart of everything we do.

In 2021/22, we provided care and support for 195 individuals in the community. Our work per person ranged from one hour to 224 hours each week.

Over the course of the year, we delivered:

- 345,259 hours of care and support in East Lothian.
- 65,943 hours of care and support in Midlothian.

These hours include waking night shifts, where staff are required to be awake throughout the night to assist with the needs of the individuals they support.

A number of the individuals we work with require sleepover support. Staff sleep in the homes of those individuals and can be called upon to provide assistance, as required. Over the year, ELCAP provided almost 128,000 hours of sleepover support.

In addition to community-based support, we offer breaks from caring from premises in Dalkeith and Tranent. 64 individuals and their families benefitted from these breaks in 2021/22. Overall, we provided over 15,800 hours of this important form of support.

Sixty per cent of the individuals we supported were male and 40% were female. The youngest person we supported was four years old and the oldest was 94, while the average age was 44.

#### **Staff**

At 31<sup>st</sup> March 2022 we employed 281 staff, which was a significant reduction on the total at the same point in the previous year. The issue of staff turnover and our efforts to address it is considered elsewhere in this report.

The breakdown of our workforce was as follows:

- Support Practitioners: 267
- Operational Leads: 7
- Administrators: 2
- Finance Officers: 2
- Business Manager: 1
- Registered Manager: 1
- Chief Executive: 1

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**For the year ended 31 March 2022**

Ninety-six per cent of our staff are Support Practitioners. They assist the individuals ELCAP supports with all aspects of daily living, enabling them to do the things that matter to them and achieve their full potential.

Seventy-two per cent of our Support Practitioners are female and 28% are male. ELCAP continues to achieve a better gender balance than the Scottish average for care at home/housing support services, where 15% of the workforce is male.

Our longest-serving member of staff has worked with ELCAP for 29 years, while the average length of service is seven years. Our youngest member of staff is aged 16, while our oldest member of staff is 73. The average age of our staff is 46.

Sixty-four per cent of staff worked full-time (39 hours per week).

#### **Governance**

We are governed by an Executive Board, which has a maximum of 15 members. Our Board members, who are all volunteers, are charity trustees and company directors.

Up to three members of the Executive Board are nominated by our Advisory Council. The Advisory Council helps ELCAP to understand the experiences and perspectives of the individuals we support.

Our Board meets quarterly and meetings were held in June, August, and November 2021 and in February 2022.

In September 2021, the Board held its annual away day at Cockenzie House. Board members and staff identified a number of activities to progress our strategic objectives.

Our Annual General Meeting (AGM) was held online on 29 October 2021. The meeting attracted a good attendance, with guests including East Lothian Councillors Shamin Akhtar and Fiona O'Donnell and three Members of the Scottish Parliament – Colin Beattie, Paul McLellan and Martin Whitfield.

Membership of the Board was stable. The only change to the membership of our Board was in November 2021, when Graham Ford stood down.

In addition to our Executive Board, three Committees – chaired by Board members - met over the course of the year:

- **Audit and Risk Committee**
  - Chaired by Catriona Miller
- **Board Officers Committee**
  - Chaired by Bette Francis
- **Joint Consultative Committee**
  - Chaired by Philip Coghill
- **Public Relations and Marketing Committee**
  - Chaired by Mark McKinlay

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### **TRUSTEES' REPORT**

**For the year ended 31 March 2022**

Minutes from Committee meetings are shared with the Board, to allow members to monitor their progress and raise any comments or questions.

As a result of the COVID-19 pandemic, the majority of Board and Committee meetings were held online.

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Key developments in 2021/22**

ELCAP's Executive Board monitored the key developments in our organisation over the course of 2021/22. Some of the highlights are noted below, under the five themes of our strategic plan:

- Enhancing the quality of our care and support
- Developing our workforce
- Diversifying our income and making best use of resources
- Demonstrating our impact and raising our profile
- Connecting with communities and extending our reach

##### ***Enhancing the quality of our care and support***

ELCAP aspires to be a first-class provider of care and support services.

Our Care Inspectorate grades are the most important measure of the quality of these services. The COVID-19 pandemic meant that an inspection was not possible in 2021/22.

Our most recent assessment took place in July 2019, when our services were graded as follows:

- Quality of care and support: 5 (Very good)
- Quality of management and leadership: 5 (Very good)

We look forward to our next assessment from the Care Inspectorate. As well as identifying strengths, care inspections highlight areas for improvement. The observations, sharing of good practice and suggestions which emerge from inspections help us enhance the quality of our care and support.

In addition to care inspections, we value the feedback we receive from the individuals we support and their families.

In normal circumstances the individuals we support – and the important people in their lives – are invited to share their views at six-monthly review meetings. These meetings provide a rich source of intelligence on how things are going in people's lives and on their future ambitions.

By necessity, COVID-19 required us to take a lighter touch and remote approach to reviews. We look forward to returning to the in-depth, in-person conversations which help us tailor our support to meet personal needs and preferences.

In addition to review meetings, ELCAP invites the families of the individuals we support to complete an annual satisfaction survey. The survey, which was open in March 2022, asked families what they think of the care and support we provide for their relative.

## ELCAP

### TRUSTEES' REPORT

For the year ended 31 March 2022

Here is what they told us:

- 92% of family members who completed our survey said they had confidence in the Support Practitioners who provide day-to-day support for their relative.
- 89% felt that ELCAP provides high quality care and support.
- 86% said ELCAP had managed their relative's support really well or well during the COVID-19 pandemic.
- 83% said they would recommend ELCAP to others.
- 80% said they had confidence in the management of their relative's care and support
- 77% said they were fully involved in decisions relating to their relative's care and support.

We received a range of positive comments from families, including:

- "My son has a lovely team working with him. I have confidence, they support him very well."
- "We have two excellent carers who have worked with (person's name) for several years and they understand his needs completely. This is what is needed for him."
- "I felt very supported and informed of all precautions and COVID measures put in place."
- "Great support, great staff. I can relax when (person's name) is in respite."
- "Being our only offspring... (person's name) has always been the forefront re. decisions on his well-being...We take all decisions after discussions."
- "A huge thanks to ELCAP, especially under these trying time."

While we are pleased with the feedback we received from families, we would like to achieve a higher response rate to our survey. We are better able to address weaknesses and build on areas of strength if we understand everyone's experience of ELCAP.

We are aware from our experience that many of the individuals we support are non-verbal or find it difficult to express what matters to them. In September 2019, ELCAP formed a partnership with NHS Lothian's Speech and Language Therapy service to use *The Five Good Communication Standards* to improve how we communicate with the individuals we support and enable us to better understand their preferences and wishes. We called our project *Our Voice, Our Choice*.

The project was wide-ranging and delivered a range of benefits, including:

- The production of communication reports and action plans, following individual assessments.
- The production of bespoke Communication Passports.
  - A Communication Passport provides a practical and person-centred approach to passing on key information about people with complex communication difficulties who cannot easily speak for themselves.
- The introduction of a range of Alternative Augmentative Communication (AAC) resources and tools.
- Staff training in areas including:
  - An introduction to Alternative Augmentative Communication.
  - An introduction to communication supports for everyday activities.
  - An introduction to keyword signing.
  - An introduction to sensory activities for communication.

## ELCAP

### TRUSTEES' REPORT

**For the year ended 31 March 2022**

A Support Practitioner reflected on the difference Communication Passports make:

“The person I support has already had a chance to use his Communication Passport at lunch, after one of his new groups.

It was wonderful and very rewarding to see him use this tool to enhance his communication and clarify things when he had difficulty expressing himself fully. It also made the person he was communicating with feel more comfortable and more engaged in the conversation.”

The second phase of our innovative project, *Our Voice, Our Choice*, ended in March 2022. Communication needs and preferences change over time, so we will revive our partnership with NHS Lothian when the time is right. Until then, the individuals we support can benefit from the good communication practice we've embedded over the last few years.

As in previous years, we committed most of our resources to the front line as this is where our best impacts are made. Ninety-five per cent of our staff were employed as Support Practitioners.

#### ***Developing our workforce***

ELCAP aspires to be an excellent employer. In August 2021 our Executive Board agreed a *Workforce Development Plan*. The plan was developed to support our mission to become “the recognised gold standard in social care” and help us deliver on our strategic commitment, for the benefit of the individuals we support, our staff and our community.

As well as analysing the shape and size of ELCAP's workforce, the plan set out our ambitions in relation to:

- Fair Work
- Future workforce needs
- Learning and development
- Pay
- Recruitment
- Retention
- Trade unions
- Accreditation and recognition

Effective voice is a key element of fair work. ELCAP recognises two trade unions – the Royal College of Nursing and Unison – and around 50% of our staff are trade union members. Unison officers attend our staff seminars to raise awareness of the benefits of trade union membership, while new colleagues are advised of ELCAP's relationship with the trade unions when they take part in induction.

Over the course of 2022/23, ELCAP's Joint Consultative Committee (JCC) – chaired by Philip Coghill – met to consider issues of shared interest to the charity and the trade union.

In March 2022, we conducted our annual staff survey and received a return rate of 49%. Every member of staff was invited to complete an anonymous online questionnaire and share their views on 17 standard statements. The statements ranged from “I feel secure in my job” to “I am involved in decisions that affect my work.”

## ELCAP

### TRUSTEES' REPORT

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Staff gave ELCAP an overall satisfaction rating of 89.5%. The statements with the highest level of satisfaction were "I am aware of ELCAP's values and I share them" and "The work I do supports ELCAP's plans for the future", which achieved 99%. The statement with the lowest level of satisfaction was "I am paid a fair rate for the job", which achieved 54%.

Satisfaction levels decreased across 12 statements and increased across three. Satisfaction levels for two statements stayed the same.

Two "one-off" statements were included in the survey. 86% agreed that "ELCAP supported me well through the COVID-19 pandemic" while 85% said "I was happy with the staff bonus I received in January 2022."

While we are happy with the overall level of staff satisfaction, we are disappointed that satisfaction levels fell in a number of areas. While most of the shifts were marginal, other changes were more significant and will require a commitment of energy to understand and address them. Increasing the response rate to the survey remains a priority.

ELCAP is committed to developing the confidence, knowledge and skills of its staff. Over the course of 2021/22, we provided a range of learning and development opportunities. We provided close to 3,000 hours of structured learning and offered staff the opportunity to gain Scottish Vocational Qualifications (SVQs).

All new members of staff attend a comprehensive induction programme. We held 10 induction sessions, involving 56 new recruits.

We held three all-staff seminars in May 2021, September 2021 and January 2022. Topics covered at the seminars included:

- Adult and Child Protection/Safeguarding
- The Charter for Involvement and the National Involvement Network
- Continuous Professional Learning (CPL)
- COVID-19 and ELCAP
- Improving staff satisfaction
- *Our Voice, Our Choice*
- Personal safety at work
- Refresher information for Support Practitioners
- Updates from the Chief Executive

In addition, we provided structured learning on:

- Autism awareness
  - 10 colleagues participated, with their places funded by the Apprenticeship Levy.
- Communication, via *Our Voice, Our Choice*
  - 75 colleagues participated.

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For the year ended 31 March 2022

- Epilepsy and Midazolam
  - 93 colleagues participated.
- Information Technology
  - 25 colleagues participated, via Apprenticeship Levy funding.
- Moving and handling
  - 184 colleagues participated.
- Team Teach
  - 17 colleagues participated.

In addition:

- 24 colleagues completed a Scottish Vocational Qualification (SVQ) 2 in Health and Social Care.
- Four colleagues completed an SVQ4 in Health and Social Care

Because of the COVID-19 pandemic, much of our learning and development activity took place online.

Capital Credit Union is an award-winning community-owned bank which prioritises people over profit and helps them get into the habit of saving or accessing affordable loans. As one of Capital's select employer partners, ELCAP offers the benefits of credit union products and services to our staff. We enable 69 employees to save money or repay loans via payroll deductions.

Where possible, we work with communities and groups which experience barriers to employment and encourage individuals within them to consider a career with ELCAP. We were therefore pleased to participate in the UK Government's *Kickstart Scheme*, which provided funding to employers to create jobs for 16 to 24 year olds on Universal Credit.

Kickstart enabled us to provide opportunities for three young people, all of whom are now employed by ELCAP on permanent full-time contracts.

#### ***Diversifying our income and making best use of resources***

ELCAP aspires to be a financially sound organisation, which is committed to sustainable development.

Most of our income is from contracts with East Lothian Health and Social Care Partnership and Midlothian Council. Although it is not unusual for social care charities to rely on contracts with public sector bodies, we need to generate more income from other sources.

In recent years, our main source of unrestricted income – funds which can be used for any purpose consistent with the aims of our organisation has been via ethical investments which are managed by Anderson Strathern Asset Management (ASAM). Over the course of the 2021/22 financial year, our investments generated a surplus of £62,989. We also reinvested £600,000 in cash which had been withdrawn previously from our investment portfolio.

Representatives from ASAM attend our Audit and Risk Committee and Executive Board from time to time to ensure they are appraised of the performance of our investments and those in the wider market.

## ELCAP

### TRUSTEES' REPORT

For the year ended 31 March 2022

From time to time ELCAP benefits from the generosity of the families of the individuals we support and our wider community.

In May 2021, we received £2500 from the estate of an individual we supported. Although the person passed away without leaving a will, a member of their family decided to make a donation to ELCAP, in recognition of the care and support we had provided.

Also in May 2021, Andrew Forrest, Secretary of Capital Credit Union, raised over £1,000 for ELCAP through a sponsored sky dive. The funds, which were raised as part of Capital's *30 Acts of Kindness* initiative, were used to support ELCAP's innovative communication project, *Our Voice, Our Choice*.

#### ***Demonstrating our impact and raising our profile***

ELCAP aspires to be a charity which makes a social and economic impact.

Our primary social impact is in relation to the care and support we provide for individuals affected by learning disabilities, physical disabilities and mental health problems.

Our primary economic impact is in relation to the quality employment we provide for almost 300 members of staff. The majority of our colleagues live and work in the East Lothian and Midlothian communities we serve.

We demonstrate our impact and raise our profile by:

- Regularly updating the news section of our website.
- Driving traffic to our website via our monthly e-bulletin, *All about ELCAP*. The e-bulletin is sent to over 800 people each month.
- Publishing and distributing – in electronic and hard copy forms – our long-standing newsletter, *Our Community*. The newsletter features photographs of the individuals we support doing the things that matter to them.
- Using our social media platforms – Facebook, Instagram and Twitter – to encourage engagement, raise ELCAP's profile and share news and opportunities.

We have made a concerted effort to improve our social media profile. This effort is paying dividends, with a steady increase in followers and impressions.

#### ***Connecting with communities and extending our reach***

Our community is at the heart of everything we do. We strive to make a positive difference in East Lothian and Midlothian, while we appreciate the various ways in which our community support us.

In autumn 2021, we again ran our photo competition, *Our Community*. The focus of the competition – which was open to our Support Practitioners and the individuals they support – was to capture positive images of the people we assist, doing the things that matter to them.

Our competition attracted a good level of interest. Our judging panel – comprising colleagues from East Lothian Council, *East Lothian Life* magazine and ELCAP's Executive Board had a difficult job in selecting our winners.

## ELCAP

### TRUSTEES' REPORT

For the year ended 31 March 2022

Our three winning entries each received East Lothian Gift Cards, with one for the person in the photo and one for the photographer. The gift cards could be spent in over 130 local businesses, which meant that - in a small way - the competition supported our community.

Our partnership with Queen Margaret University once more allowed us to produce a new ELCAP video, *Enabling Independence*. Produced by a final year Film and Media student, the video celebrated ELCAP's passion for supporting people to live better, more independent lives within our community. Available on YouTube, the video received excellent feedback on its launch:

- "Great to attend the premiere last night – fantastic, moving film."
- "It really showed that relationships are at the heart of all the work you do."
- "The video was amazing and moving."
- "You must be excellent at choosing the right people for this work as the carers seemed more like best pals."

We again provided modest support for local charities. Our 2021 Annual General Meeting (AGM) was again held online, because of the risks presented by COVID-19. We donated the funds we would have spent on catering and venue hire to two local good causes – Bright Sparks (Midlothian) and Can Do (East Lothian). Both organisations provide activities and support for children and young people with additional support needs.

Bright Sparks and Can Do also benefitted from donations from the staff and supported individuals who took part in ELCAP's annual *Christmas Jumper Day*.

Although COVID-19 meant our scope to hold in-person events was limited, whenever possible, we used the facilities offered by other local charities, including:

- The Beacon, Gorebridge
- The Fraser Centre, Tranent
- Queen Margaret University

### FINANCIAL REVIEW

#### Results for the Year

ELCAP made an operating surplus of £218,141 relating to the delivery of support services. After investment gains of £62,989 (2021: £427,038 after investment gains of £534,735) net income for the year was £281,130 (2021: £961,773).

This operating surplus represents 2.8% of income.

ELCAP made an overall surplus of £748,130 after actuarial gain of £467,000 and net costs of £62,000 in respect of the pension fund movement for the year (2021 – surplus of £538,773 after actuarial loss of £405,000 and net costs of £18,000 in respect of the pension fund movement for the year).

These movements in the final salary pension scheme are outwith the control of the Board of Trustees and do not impact on cash.

## **ELCAP**

### **TRUSTEES' REPORT**

**For the year ended 31 March 2022**

The principal funding source in the year was contracts and fees for the provision of support services.

Restricted grants of £209,619 (2021 - £35,033) were received in the year, of which £41,240 was spent in the year on assisting staff to obtain a qualification relevant to their registration with the Scottish Social Services Council. £18,627 was spent on the salaries of staff employed via the Kickstart Scheme. A Scottish Government grant of £169,572 was shared with staff in recognition of the extraordinary effort they had made during the COVID-19 pandemic, with eligible staff receiving a payment of £500 pro rata.

The significant movement in pensions each year is outwith the control of the Board and is based on actuarial assumptions made regarding The Lothian Pension Fund. This concerns the Board as these movements can make a huge difference to the results of the organisation. This year, the financial statements were increased in net value by £Nil (2021 - increased in net value by £Nil). In previous years, the financial statements have decreased or increased by over £1million as a result of these pension movements. ELCAP has sufficient reserves to remain solvent despite these large swings in the pension costs. The Board of Trustees has however continued to build its contingency reserve in order to ensure that ELCAP will remain a viable going concern despite large change in the pension funds.

The cash balance held in the charity was £2,217,988 at 31 March 2022 (2021 – £1,683,143).

#### **Investment policy and performance**

ELCAP engages Anderson Strathern Asset Management (ASAM) to manage investments, in line with an investment policy agreed by the Executive Board. We take an ethical approach to our investments and seek to avoid:

- The risk of alienating our beneficiaries and supporters.
- The possibility of conflict with ELCAP's charitable purposes and activities.
- Any detriment to our organisation and our stakeholders.

The intention of our investment policy is to secure and maximise the value of ELCAP's reserves. We hope to use returns from our investments to mitigate future financial risks and support developments which help us deliver our strategic objectives.

A review of the financial risks associated with fixed asset investment is included at note 11 to the financial statements.

Through ASAM, we continue to invest in an actively managed blend of:

- Alternatives
- Bonds
- Cash
- Global equity
- Property
- UK equity

Our portfolio continues to be split into two distinct strategies – ASAM Ethical Model 3 and ASAM Ethical Model 2 - with different risk exposures.

## ELCAP

### TRUSTEES' REPORT

For the year ended 31 March 2022

In the year to 31 March 2022, the value of ELCAP's investments increased by 2%.

Our Executive Board is content with the overall performance of the investment portfolios and with the level of risk involved. It recognises that investments and income from them may go down, as well as up, and it takes a long-term approach to investment.

#### Principal risks and uncertainties

The Board recognises the importance of effective risk management. A risk map, which is updated quarterly, is considered by the Audit and Risk Committee and shared with the Board.

As of 31 March 2022, the Board has identified the following as principal risks:

<b>Risk description – financial</b>
We lose or fail to negotiate a sustainable contract with East Lothian Health and Social Care Contract beyond 31 March 2023.
<b>Level of risk</b>
Medium
<b>Strategy to manage risk</b>
We will: <ul style="list-style-type: none"><li>• Continue to provide services which combine quality with value for money.</li><li>• Maintain positive relationships with colleagues, commissioners and colleagues with a close interest in our work.</li><li>• Improve how we demonstrate our impact, at individual service and organisational levels.</li><li>• Share our monthly e-bulletin, <i>All about ELCAP</i>, with key colleagues in East Lothian Health and Social Care Partnership and all local Elected Members.</li><li>• Promote ELCAP as a force for good via our social media channels and via the local press.</li></ul>

<b>Risk description – staffing</b>
ELCAP has difficulty in recruiting Support Practitioners, with the result that we are unable to deliver current services or take on new work.
<b>Level of risk</b>
Medium
<b>Strategy to manage risk</b>
We will: <ul style="list-style-type: none"><li>• Continue to be open with commissioners about the recruitment challenges we face and our efforts to address them.</li><li>• Implement our Workforce Development Plan has a strong emphasis on recruitment, retention and reward.</li><li>• Increase our recruitment activity at in-person and virtual events, and on social media.</li><li>• Continue to differentiate ELCAP from other social care providers and promote the benefits of a career with our charity.</li></ul>

## ELCAP

### TRUSTEES' REPORT

For the year ended 31 March 2022

<b>Risk description – staffing</b>
Staff turnover continues to increase and outpaces our recruitment efforts.
<b>Level of risk</b>
Medium
<b>Strategy to manage risk</b>
We will: <ul style="list-style-type: none"><li>• Encourage managers to increase face-to-face engagement with staff, with a view to identifying and resolving issues which may result in colleagues leaving ELCAP.</li><li>• Further improve our understanding of why staff leave and take remedial steps, where possible, to avoid further preventable losses.</li><li>• Continue our efforts to promote job opportunities at ELCAP, via social media and local events.</li></ul>

#### Reserves

As a registered charity, ELCAP is required to hold adequate funds to cover future expenditure requirements. The Executive Board continues to monitor the potential costs which may need to be met by reserves and can adjust its reserves policy, as required.

The Board is committed to holding a significant level of reserves adequate to cover the cost of three months' operating expenditure and to meet our pension liabilities, which are subject to fluctuation.

The total reserves of the charitable company have increased by £748,130 to £5,156,047 (2021: increased by £538,773 to £4,812,917) this year due to the operating surplus and investment gains.

Of the fund balances at 31 March 2022, the Operating Fund of £2,300,000 (2021: £2,300,000) is available for ongoing operational activities. This fund balance equates to approximately three months' worth of operating expenditure and represents the free reserves of the charity. Included in this fund are fixed assets investments.

**Designated funds** are funds which the Board has put aside for a specific purpose. The designated funds are the Pension Fund, the Pension Cessation Fund, the ELCAP Trust Fund and the Fixed Asset Fund.

The **Pension Fund** represents the net pension asset or liability for the Lothian Pension Fund, which is part of the Local Government Pension Scheme (LGPS). This final salary scheme is now closed to new members but disclosure on scheme has been included in the financial statements as required by FRS102. ELCAP's share of assets of the Lothian Pension Fund is a deficit of £Nil (2021: deficit of £405,000 capped at nil in the accounts). This pension asset or liability is out with the control of the Executive Board and is purely an accounting adjustment.

#### Pension Cessation Fund

While ELCAP recognises its position – negative or positive – each year in relation to the local government pension scheme, we may be liable at a future date for cessation costs to the Local Government Pension Fund. While ELCAP's position within the Fund is in surplus current, the position may change and the charity has to set aside funds to cover any future costs.

## **ELCAP**

### **TRUSTEES' REPORT**

**For the year ended 31 March 2022**

The **ELCAP Trust Fund** (£914) is the fund transferred from the ELCAP Trust before its dissolution. The fund is used for the support previously provided by the Trust.

The **Fixed Asset Fund** reflects the net book value of fixed assets.

The charity held £nil restricted funds at the year end (2021: £20,000).

#### **PLANS FOR FUTURE PERIODS**

All of our lives have been changed by the COVID-19 pandemic. While the threats presented by the virus are still with us, we are experiencing a return to “normality”, whatever that might mean for us.

The individuals we support were particularly affected by the pandemic. The activities they enjoyed came to an abrupt halt and their connections with family and friends were severely restricted. While these changes affected all of us, it was difficult for some of the individuals we support to understand why they could no longer do the things that matter to them. A priority for 2022/23 is to ensure that everyone we support has greater opportunity to be an active and valued member of our community, on terms that are right for them.

In addition to worrying about the risk of COVID-19 to their loved ones, the families of the individuals we support had to take on more caring responsibilities, during periods of self-isolation or staff shortages. A priority for 2022/23 is to strengthen our relationships with families, improving our understanding of what's important to them and ensuring they are apprised of key developments in ELCAP.

As noted earlier in the report, we experienced higher than average levels of staff turnover in 2021/22. A priority for the coming year is to focus more attention on retention – making every effort to keep good staff on board – and to modernise and streamline our recruitment processes. After a testing year, we want to get our staff team back up to strength, providing consistency of service for the individuals we support and reducing the demands on our dedicated team of Support Practitioners.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

ELCAP is a company limited by guarantee and a registered charity which is governed in accordance with its Memorandum and Articles of Association. Governance responsibility lies with our Executive Board, which has up to 15 members who are charity trustees and company directors. Three places on the Board are reserved for individuals who receive support from ELCAP. These members have a special role in helping ELCAP better understand the wishes of people who use our services.

Individuals who agree to support the objectives of the charity can apply for membership. The Executive Board can appoint members who, in their opinion, would benefit the charity. Members of ELCAP have voting rights at the Annual General Meeting (AGM).

The main tasks of the Executive Board are:

- Setting and maintaining ELCAP's vision, mission and values.
- Developing direction, strategy and planning.
- Ensuring the organisation has the structure and resources for its work.
- Establishing policies and procedures to govern organisational activity.
- Establishing systems for reporting and monitoring.

## **ELCAP**

### **TRUSTEES' REPORT**

**For the year ended 31 March 2022**

- Managing risk and ensuring compliance and accountability with ELCAP's governing documents, regulations and the law.
- Ensuring that the financial affairs of the organisation are conducted properly and are reported accurately.

ELCAP has an Advisory Council which is open to individuals who use ELCAP's services. Its purpose is to advise the Board, to give voice to the people who use ELCAP's services and to nominate people from its own number to the three reserved places on the Board. Expert independent advice is available to assist Advisory Council members in their role on the Executive Board.

Three Committees – Audit and Risk Committee, the Joint Consultative Committee and the Public Relations and Marketing Committee – take responsibility for strategic oversight of particular aspects of ELCAP's work. The Committees remain accountable to the Executive Board, while members of the Board sit on each Committee.

ELCAP's Board Officers – the Chair and Vice Chairs – meet ELCAP's Chief Executive regularly to review the high level health of the charity and prepare for meetings of the Executive Board.

Pay for ELCAP's Support Practitioners is determined by benchmarking, guidance from the Scottish Government and the rate of the Living Wage. Pay for ELCAP's administrative, finance and management staff is determined by bi-annual process of benchmarking, which is delivered independently by Work Nest. Work Nest provide intelligence on market rates for comparable jobs and this intelligence informs decisions on pay within the charity.

In addition, ELCAP keeps track of pay rates by monitoring pay rates in the social care sector and by participating in benchmarking research conducted by the Coalition of Care and Support Providers in Scotland (CCPS).

Membership of the Board since 1 April 2021, and a list of principal advisors is set out on page 23.

#### **ELCAP as a good employer**

ELCAP has been an Investor in People since 2006 and is recognised at Platinum level currently. The charity is an accredited Living Wage Employer and is a member of the Disability Confident Scheme.

ELCAP recognises two trade unions – the Royal College of Nursing and Unison – and works in partnership with trade union representatives via the Joint Consultative Committee.

ELCAP conducts an annual staff survey. While satisfaction rates across the different areas of the survey are generally high, remedial action is taken where improvement is required.

Staff learning and development is a high priority for ELCAP. The ability of the organisation to provide high quality care and support depends on a workforce with the right knowledge, skills and understanding.

## **ELCAP**

### **TRUSTEES' REPORT**

**For the year ended 31 March 2022**

#### **Relationships with other bodies**

ELCAP has contracts with East Lothian Health and Social Care Partnership and Midlothian Council for the provision of breaks from caring, care at home and housing support services.

The charity has an agreement with Castle Rock Edinvar Housing Association to deliver 34 tenancies for individuals who are supported by ELCAP.

ELCAP is a member of the Coalition of Care and Support Providers in Scotland (CCPS), Midlothian and East Lothian Chamber of Commerce and the Scottish Council for Voluntary Organisations (SCVO).

# ELCAP

## TRUSTEES' REPORT

For the year ended 31 March 2022

### REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Charity Name</b>	ELCAP (also known as East Lothian Care & Accommodation Project)		
<b>Registered Office and Principal Office</b>	Woodbine Cottage West Loan Prestonpans East Lothian EH32 9WU		
<b>Recognised Charity No.</b>	SCO03159		
<b>Company No.</b>	SC116745		
<b>Board Members</b>	Sylvia Archibald Philip Coghill (Vice Chair) Kate Flory Graham Ford (resigned 23 November 2021) Bette Francis (Chair) Wojciech Kuzma Mark McKinlay David McLaren (Vice Chair) Catriona Miller Lynn Penman		
<b>Key Management Personnel</b>	Paul White Meg Corner Karen Cowe Kelly Cunningham Lara Ritchie Phil Bartlett Colin Elms Amy Aitchison Kylie Rankin Marie Horsburgh Yvonne Lees Shirley Ramsay Daniel Rutherford Janette Stratham	Chief Executive Operational Lead Registered Manager Business Manager (to September 2021) Business Manager (from September 2021) Operational Lead (to November 2021) Operational Lead (to September 2021) Operational Lead (from October 2021) Operational Lead (from October 2021) Operational Lead Operational Lead Operational Lead Operational Lead Operational Lead	
<b>Senior Statutory Auditor</b>	Kevin Cattanach		
<b>Independent Auditors</b>	Whitelaw Wells 9 Ainslie Place Edinburgh EH3 6AT		
<b>Investment Managers</b>	Anderson Strathern Asset Management 1 Rutland Court Edinburgh EH3 8EY		
<b>Principal Bankers</b>	The Royal Bank of Scotland 32 Court Street Haddington EH41 3JA	<b>Solicitors</b>	Anderson Strathern 1 Rutland Court Edinburgh EH3 8EY

**TRUSTEES' REPORT**

**For the year ended 31 March 2022**

**STATEMENT OF BOARD RESPONSIBILITIES**

The Board (who are the Directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year. Under that law, the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net movement in funds of the company for that year. In preparing these financial statements, the Board are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explain in the financial statements; and
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the company will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of Information to the Auditor**

As far as each of the Directors is aware, at the time the report is approved:-

- there is no relevant information of which the company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of the information.

**Small Company Exemption**

The above report has been prepared in accordance with the special provision of part 15 of the Companies Act 2006 relating to small companies.

**Independent Auditor**

A resolution to appoint Whitelaw Wells will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf on 24 August 2022

  
.....  
**Bette Francis, Director and Chair**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**For the year ended 31 March 2022**

**Opinion**

We have audited the financial statements of ELCAP (the 'charitable company') for the year ended 31 March 2022, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Including FRS102 '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 2022 and of its incoming resources and application of the resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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' (who are also directors of the company for the purposes of company law) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information 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 we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**For the year ended 31 March 2022**

**Other information (Continued)**

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.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011, 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:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' annual report;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 24, the directors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**For the year ended 31 March 2022**

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried out income testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 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 charitable company's Trustees those matters we are required to state to them in an auditors' 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 and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Cattnach (Senior Statutory Auditor)  
For and on behalf of Whitelaw Wells  
Statutory Auditor  
9 Ainslie Place  
Edinburgh, Midlothian, EH3 6AT

24 August 2022

**ELCAP**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income & Expenditure Account)**

**For the year ended 31 March 2022**

	<b>Note</b>	<b>Operating Fund 2022 £</b>	<b>Designated Funds 2022 £</b>	<b>Restricted Funds 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>Income &amp; Endowments from:</b>						
Donations and legacies		3,424	-	-	3,424	15,439
Charitable Activities						
Support Services	3	9,664,571	-	-	9,664,571	9,510,804
Grant Income	4	-	-	209,619	209,619	35,033
Investments	5	21,494	-	-	21,494	38,673
<b>Total</b>		<b>9,689,489</b>	<b>-</b>	<b>209,619</b>	<b>9,899,108</b>	<b>9,599,949</b>
<b>Expenditure on:</b>						
Raising funds: investment fees		21,199	-	-	21,199	22,316
Charitable Activities:	6					
Support Services		9,358,656	71,493	-	9,430,149	9,135,562
Grant Funded Projects		-	-	229,619	229,619	15,033
<b>Total</b>		<b>9,379,855</b>	<b>71,493</b>	<b>229,619</b>	<b>9,680,967</b>	<b>9,172,911</b>
Operating surplus/(deficit)		309,634	(71,493)	(20,000)	218,141	427,038
Net gain/(loss) on investments	11	62,989	-	-	62,989	534,735
<b>Net income/(expenditure)</b>		<b>372,623</b>	<b>(71,493)</b>	<b>(20,000)</b>	<b>281,130</b>	<b>961,773</b>
Transfers between funds	14	(372,623)	372,623	-	-	-
<b>Other Recognised Gains &amp; Losses</b>						
Actuarial gain/(loss) on defined benefit pension scheme	17	-	301,130	(20,000)	281,130	961,773
<b>Net Movement in Funds</b>		<b>-</b>	<b>768,130</b>	<b>(20,000)</b>	<b>748,130</b>	<b>538,773</b>
Funds as at 31 March 2021		2,300,000	2,492,917	20,000	4,812,917	4,274,144
Funds as at 31 March 2022	14	2,300,000	3,261,047	-	5,561,047	4,812,917

There were no acquired or discontinued activities during the year. There were no recognised gains or losses other than the results for the year as set out above.

The notes on pages 31 to 46 form part of these financial statements.

ELCAP

BALANCE SHEET

As at 31 March 2022

	Notes	£	2022 £	£	2021 £
<b>Fixed Assets</b>					
Tangible assets	10		55,422		54,247
Investments	11		3,229,235		3,165,952
			<hr/>		<hr/>
			3,284,657		3,220,199
<b>Current Assets</b>					
Debtors	12	554,499		668,711	
Cash at bank and in hand		2,217,988		1,683,143	
		<hr/>		<hr/>	
<b>Total Current Assets</b>		2,772,487		2,351,854	
<b>Creditors: Amounts falling due within one year</b>					
	13	(496,097)		(354,136)	
		<hr/>		<hr/>	
<b>Net Current Assets</b>			2,276,390		1,997,718
			<hr/>		<hr/>
<b>Total Assets Less Current Liabilities</b>			5,561,047		5,217,917
<b>Creditors: Amounts falling due after more than one year</b>					
Defined benefit pension scheme liability	17		-		(405,000)
			<hr/>		<hr/>
<b>Net Assets</b>			5,561,047		4,812,917
			<hr/>		<hr/>
<b>Funds</b>	14				
General funds		2,300,000		2,300,000	
Designated		3,261,047		2,492,917	
		<hr/>		<hr/>	
Total unrestricted funds			5,561,047		4,792,917
Total restricted funds			-		20,000
			<hr/>		<hr/>
			5,561,047		4,812,917
			<hr/>		<hr/>

These accounts have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The financial statements were authorised for issue by the Board on 24 August 2022 and signed on its behalf by

  
Bette Francis, Chair

  
Philip Coghill, Vice Chair

The notes on pages 31 to 46 form part of these financial statements.

**ELCAP**

**STATEMENT OF CASH FLOWS**

**As at 31 March 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	below	524,313	911,152
<b>Cash flows from investing activities:</b>			
Investment income	5	21,494	38,673
Purchase of tangible fixed assets	10	(10,747)	(2,858)
Disposal of assets	10	79	599
Purchase of investments	11	(1,251,725)	(400,558)
Sale of investments	11	688,419	1,006,722
<b>Net cash provided by investing activities</b>		(552,480)	642,576
<b>Change in cash and cash equivalents in the reporting period</b>		(28,167)	1,553,728
<b>Cash and cash equivalents at the beginning of the reporting period</b>		2,373,545	819,817
<b>Cash and cash equivalents at the end of the reporting period below</b>		2,345,378	2,373,545

**RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

<b>Net income/(expenditure) per the statement of financial activities</b>		748,130	538,773
<b>Adjustments for:</b>			
Depreciation charge	10	9,493	8,678
(Gains)/losses on investments	11	(62,989)	(534,735)
Investment income	5	(21,494)	(38,673)
Decrease/(increase) in debtors		114,212	534,531
(Decrease)/increase in creditors		(263,039)	402,578
<b>Net cash provided by operating activities</b>		524,313	911,152

**ANALYSIS OF CASH AND CASH EQUIVALENTS**

Instant access bank deposits		2,217,626	1,682,581
Cash in hand		362	562
Cash held by investment managers	11	127,390	690,402
<b>Cash and cash equivalents at the end of the reporting period</b>		2,345,378	2,373,545

The notes on pages 31 to 46 form part of these financial statements

## ELCAP

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### a. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, subject to the revaluation of investments, and in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2019), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Charities and Trustee Investment (Scotland) Act and the Charities Accounts (Scotland) Regulations 2006 (as amended).

ELCAP meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

##### Going Concern

The members of the Board are of the opinion that the charitable company can continue to meet its obligations as they fall due for the foreseeable future and have therefore prepared the financial statements on the going concern basis. This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements

ELCAP has £2.2m in cash and holds £3.2m in investments. These levels of reserves are sufficient for the business to continue for 12 months. The overheads make up less than 10% of overall expenditure with the rest of the costs directly attributable to the service given. If there was a loss of major clients the business would be able to quickly scale down accordingly. However, new contracts have been extended by the two major clients for the year to 31 March 2023.

##### b. Funds structure

Restricted funds are available only for a purpose specified by the donor or funder.

Unrestricted funds are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Board for specific activities and needs in the future.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

**1. Accounting Policies (continued)**

The operating fund represents the accumulated surpluses and deficits in the Statement of Financial Activities, after transfers to/from the designated funds.

**c. Recognition and allocation of income**

All income is included in the Statement of Financial Activities when the charity is entitled to the income, the receipt is probable and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- The majority of income relates to local authority contracts and is recognised as the work is undertaken.
- Investment income is available when receivable.
- Revenue grants are recognised in the accounting period to which they relate. Where there are performance conditions attached, income is recognised when the conditions have been met or when meeting the conditions is within the charity's control and there is sufficient evidence that they have been met or will be met. Where a grant condition allows for recovery of any unexpected grant, a liability is recognised when the repayment becomes probable.

**d. Recognition and allocation of expenditure**

Expenditure is recognised when the charity has entered into a legal or constructive obligation and is recognised on an accruals basis.

- Charitable activities include expenditure on staff salaries and staffing related costs such as training, occupational health and office accommodation. It includes both the direct costs and the support costs relating to these activities, including governance costs.
- Support costs include central functions which have been allocated to the activity of the provision of support services (per Note 6). Wherever possible, support costs are attributed to the activity to which they relate.
- Governance costs relate to the general running of the charity and include the operations of the Board and addressing constitutional, audit and other statutory matters.

**e. Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £2,000 are capitalised including any incidental expenses of acquisition. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

- |                                |          |
|--------------------------------|----------|
| - Heritable land and buildings | 50 years |
| - Furniture and furnishings    | 5 years  |
| - Office equipment             | 3 years  |

**f. 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, which equates to market value. Gains and losses arising on revaluations are recognised in the Statement of Financial Activities in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. **Accounting Policies (continued)**

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

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

g. **Debtors**

Trade debtors are amounts due from customers for services performed and are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

h. **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty or notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

i. **Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

j. **Financial assets and financial liabilities**

Financial instruments are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for a similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset to expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

### 1. Accounting Policies (continued)

#### k. Operating lease commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### l. Taxation

The company has charitable status and is therefore exempt from taxation under Section 505 of the Corporation Taxes Act 1988. The company is not registered for VAT and accordingly expenditure includes VAT where applicable.

#### m. Pensions

The company encourages employees to take up a pension scheme and pays contributions towards a number of schemes.

#### Defined benefit schemes

The company contributes to two defined benefit pension schemes: Lothian Pension Fund, which is part of the Local Government Pension Scheme (LGPS), and the NHS Superannuation Scheme for Scotland (NHSS). Both schemes provide benefits based on final pensionable pay. The assets of the scheme are held separately by their administrators (LGPS – City of Edinburgh Council; and NHSS – Scottish Public Pensions Agency) either with a mixture of insurance companies and managed funds (LGPS) or directly in gilts (NHSS).

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

The NHSS Scheme is a multi-employer scheme where the assets and liabilities applicable to each employer cannot be separately identified. It is therefore accounted for as a defined contribution scheme.

Both the LGPS and NHSS are closed to new entrants.

#### Defined contributions schemes

There are two main schemes operating in the company: The Company Personal Pension Scheme and other Personal Pensions set up by each employee independent of the company. Contributions to the schemes are charged to the income and expenditure account in the period in which contributions become payable. Only the Company Personal Pension Scheme is open to new entrants.

### 2. Critical Judgements and Estimates

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. However, in the opinion of the Directors there are no critical judgements which need to be brought to the attention of the reader for a proper understanding of the accounts.

# ELCAP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

### 3. Income from Charitable Activities: Support Services

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Care at home	8,193,277	-	8,193,277	8,139,086
Sleep overs	1,471,294	-	1,471,294	1,371,718
	<u>9,664,571</u>	<u>-</u>	<u>9,664,571</u>	<u>9,510,804</u>

The charity has only one principal charitable activity, being provision of support services. During the previous year all income from support services was unrestricted.

### 4. Income from Charitable Activities: Grant Income

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Scottish Social Services Council	-	21,420	21,420	20,000
Scottish Government	-	-	-	15,033
Scottish Government COVID-19 grant for staff	-	169,572	169,572	-
Kickstart Scheme	-	18,627	18,627	-
	<u>-</u>	<u>209,619</u>	<u>209,619</u>	<u>35,033</u>

During the previous year all grant income was restricted.

### 5. Investment Income

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Dividends	21,494	-	21,494	23,673
Pension scheme income	-	-	-	15,000
	<u>21,494</u>	<u>-</u>	<u>21,494</u>	<u>38,673</u>

During the previous year all investment income was unrestricted.

ELCAP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. Expenditure on charitable activities

	Grant funded projects	Support services	Total 2022 £	Total 2021 £
<u>Direct costs</u>				
Staff costs (note 8)	188,199	8,423,697	8,611,896	8,183,353
Property & maintenance	-	36,334	36,334	22,704
<u>Support costs</u>				
Staff costs (note 8)	-	633,646	633,646	613,505
Property & maintenance	-	23,996	23,996	25,876
Registration, disclosure & accreditation costs	-	10,295	10,295	16,026
Miscellaneous	-	27,739	27,739	20,574
Insurance	-	36,454	36,454	35,205
Office costs	-	37,356	37,356	44,859
Training	41,420	59,346	100,766	80,574
IT costs	-	30,466	30,466	31,942
Professional fees	-	50,854	50,854	10,980
Depreciation	-	9,493	9,493	8,678
Loss on disposal of fixed asset	-	79	79	-
Donations paid	-	190	190	-
<u>Governance costs</u>				
Internal & external audit	-	8,490	8,490	8,970
Professional fees	-	30,158	30,158	37,441
Board expenses	-	11,556	11,556	9,908
	<hr/>	<hr/>	<hr/>	<hr/>
	229,619	9,430,149	9,659,768	9,150,595
	<hr/>	<hr/>	<hr/>	<hr/>

During the previous year unrestricted expenditure amounted to £9,157,878 and restricted expenditure amounted to £15,033.

# ELCAP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

### 7. Net Income/ (Expenditure) before Transfers is stated after Charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	9,493	8,678
Auditor's remuneration: audit fees	6,792	7,176
Auditor's remuneration: accountancy fees	1,698	1,794
Operating lease rentals: other	4,257	2,753
	<u>          </u>	<u>          </u>

### 8. Employees

	2022 £	2021 £
The average weekly number of employees (on a head count basis) was:		
Support Services	304	310
Headquarters	14	15
	<u>          </u>	<u>          </u>
	318	325
	<u>          </u>	<u>          </u>

### Staff costs during the year amounted to:

	2022 £	2021 £
Wages and salaries	8,124,969	7,809,661
Social Security costs	736,602	648,574
Defined contribution pension costs	53,174	52,523
Defined benefit pension costs	330,797	286,100
	<u>          </u>	<u>          </u>
	9,245,542	8,796,858
	<u>          </u>	<u>          </u>

One employee received remuneration exceeding £60,000 during the year (2021: one).

None of the Board members received any remuneration for their services as members of the Board but the Board members did receive the benefit of being covered by the Directors' and Officers' Liability insurance policy. No board members were reimbursed travel expenses (2021: no board members were reimbursed travel expenses.) to attend Board meetings.

Key management personnel salary for the year was £575,772 (2021: £490,274). The total pension contributions made for the key management personnel was £28,864 (2021: £30,400).

# ELCAP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

### 9. Related Parties

The Board made a policy decision to include service users on the Board of Trustees in order to influence the development of person centred services. Three people, who are Trustees, are also supported by ELCAP. The Trustees are not remunerated as Trustees.

The support contract for each of the three service-user Trustees is assessed independently of ELCAP by local authority care managers and is consistent with all other service users. The cash value of these services is not disclosed in accordance with Section 9.18 of the Charities SORP FRS102, which includes within transactions with related parties that do not require disclosure: 'the provision of services to a Trustee or other related party where the services are received on the same terms as they are received by other beneficiaries of the charity'.

### 10. Tangible Fixed Assets

	Heritable Land & Buildings £	Office Equipment £	Total £
<b>Cost</b>			
At 1 April 2021	113,926	72,015	185,941
Additions	-	10,747	10,747
Disposals	-	(3,497)	(3,497)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	113,926	79,265	193,191
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 April 2021	67,203	64,491	131,694
Charge for year	2,279	7,214	9,493
On disposals	-	(3,418)	(3,418)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	69,482	68,287	137,769
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 2022	44,444	10,978	55,422
	<hr/>	<hr/>	<hr/>
At 31 March 2021	46,723	7,524	54,247
	<hr/>	<hr/>	<hr/>

There are no securities over the property.

# ELCAP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

11. Investments	2022 £	2021 £
Quoted investments	3,101,845	2,475,550
Cash	127,390	690,402
	<hr/>	<hr/>
Fair value at 31 March 2022	3,229,235	3,165,952
	<hr/>	<hr/>
<b>Quoted Investments</b>		
Fair value at 31 March 2021	2,475,550	2,546,979
Additions during year	1,251,725	400,558
Disposals during year	(688,419)	(1,006,722)
Net gain/ (loss) on revaluation	62,989	534,735
	<hr/>	<hr/>
Fair value at 31 March 2022	3,101,845	2,475,550
	<hr/>	<hr/>
Historical cost as at 31 March 2021	2,345,833	1,607,045
	<hr/>	<hr/>

All investments are carried at their fair value and are traded in quoted public markets. 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 main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of the investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub sectors.

The charity has managed the investment risks by retaining expert advisors and operating an investment policy that provides a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchange. The charity does not make use of derivatives and other similar complex financial instruments.

12. Debtors	2022 £	2021 £
Trade debtors	449,371	501,360
Prepayments and accrued income	104,445	167,351
Social security debtor	683	-
	<hr/>	<hr/>
	554,499	668,711
	<hr/>	<hr/>

ELCAP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	17,265	17,376
Pension contributions	64,917	27,709
Accruals and sundry creditors	413,915	309,051
	<hr/>	<hr/>
	496,097	354,136
	<hr/>	<hr/>

14. Movement in Funds

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Gains & Losses £	Balance at 31 March 2022 £
<b>Unrestricted Funds</b>						
<b>Designated Funds</b>						
ELCAP Trust	914	-	-	(914)	-	-
Pension Fund	(405,000)	-	(62,000)	-	467,000	-
Pension cessation	2,842,756	-	-	362,869	-	3,205,625
Fixed asset	54,247	-	(9,493)	10,668	-	55,422
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total designated	2,492,917	-	(71,493)	372,623	467,000	3,261,047
<b>General Funds</b>						
Operating fund	2,300,000	9,689,489	(9,379,855)	(372,623)	62,989	2,300,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted	2,300,000	9,689,489	(9,379,855)	(372,623)	62,989	2,300,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted Funds</b>						
<b>Scottish Social Services</b>						
Council	20,000	21,420	(41,420)	-	-	-
Scottish Government	-	169,572	(169,572)	-	-	-
Kickstart Scheme	-	18,627	(18,627)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted	20,000	209,619	(229,619)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Funds	4,812,917	9,899,108	(9,680,967)	-	529,989	5,561,047
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# ELCAP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

### 14. Movement in Funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Gains & Losses £	Balance at 31 March 2021 £
<b>Unrestricted Funds</b>						
<b>Designated Funds</b>						
ELCAP Trust	36,673	-	(35,759)	-	-	914
Pension Fund	-	15,000	3,000	-	(423,000)	(405,000)
Pension cessation	1,876,807	-	-	965,949	-	2,842,756
Fixed asset	60,664	-	-	6,417	-	54,247
<b>Total designated</b>	<b>1,974,144</b>	<b>15,000</b>	<b>(32,759)</b>	<b>959,532</b>	<b>(423,000)</b>	<b>2,492,917</b>
<b>General Funds</b>						
Operating fund	2,300,000	9,549,916	(9,125,119)	(959,532)	534,735	2,300,000
<b>Total Unrestricted</b>	<b>2,330,000</b>	<b>9,549,916</b>	<b>(9,125,119)</b>	<b>(959,532)</b>	<b>534,735</b>	<b>2,300,000</b>
<b>Restricted Funds</b>						
Grant funded projects	-	35,033	(15,033)	-	-	20,000
<b>Total Restricted</b>	<b>-</b>	<b>35,033</b>	<b>(15,033)</b>	<b>-</b>	<b>-</b>	<b>20,000</b>
<b>Total Funds</b>	<b>4,274,144</b>	<b>9,599,949</b>	<b>(9,172,911)</b>	<b>-</b>	<b>111,735</b>	<b>4,812,917</b>

The ELCAP Trust Fund is to take over the support provided by the ELCAP Trust before its dissolution.

The Pension Fund reflects the net pension asset or liability.

The Pension Cessation Reserve reflects the value of the estimated cessation liability, as explained in the Trustees' Report.

The Fixed Asset Fund reflects the net book value of fixed assets.

The Operating Fund is the General Fund and is available to fund the ongoing operational activities of ELCAP.

# ELCAP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

### 14. Movement in Funds (continued)

Scottish Social Services Council restricted fund represents income from Scottish Social Services Council as a contribution to the costs associated with meeting the qualification criteria set by the Scottish Social Services Council for registration.

Scottish Government restricted fund represents the £500 government bonus grant towards staff bonuses for employees who worked during the pandemic.

Kickstart Scheme restricted fund represents funds towards salaries for staff employed via the Kickstart Scheme.

### 15. Analysis of Net Assets among Funds

Fund balances at 31 March 2022 as represented by:	Operating Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	55,422	-	55,422
Fixed assets investments	3,229,235	-	-	3,229,235
Net current assets	(929,235)	3,205,625	-	2,276,390
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2022	2,300,000	3,261,047	-	5,561,047
	<hr/>	<hr/>	<hr/>	<hr/>

Fund balances at 31 March 2021 as represented by:	Operating Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	54,247	-	54,247
Fixed assets investments	3,165,952	-	-	3,165,952
Net current assets	(865,952)	2,843,670	20,000	1,997,718
Long-term liabilities	-	(405,000)	-	(405,000)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2021	2,300,000	2,492,917	20,000	4,812,917
	<hr/>	<hr/>	<hr/>	<hr/>

# ELCAP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

### 16. Operating Lease Commitments

At 31 March 2022 the total commitments under non-cancellable operating leases were as follows:-

	2022	2021
	£	£
Within one year	4,233	2,013
Between two and five years	6,795	402
	<hr/>	<hr/>
	11,028	2,415
	<hr/>	<hr/>

### 17. Pension Costs

#### DEFINED BENEFIT SCHEME – Lothian Pension Fund

As explained in the Accounting Policies, ELCAP participates in a defined benefit pension scheme.

A valuation of the pension fund is carried out triennially, the most formal valuation of the fund was at 31 March 2014, by Hymans Robertson, independent actuaries. Liabilities are valued on an actuarial basis using the projected unit credit method, which assess the future liabilities of the fund discounted to their present value.

The actuary also prepares an annual valuation of the scheme assets and liabilities attributable to ELCAP for accounting purposes as at 31 March each year.

#### Explanations of amounts in the financial statements

Amounts recognised in the balance sheet at 31 March 2022

	Value at 31 March 2022	Value at 31 March 2021
	£	£
Fair value of assets	10,122,000	9,268,000
Present value of funded obligations	(9,150,000)	(9,673,000)
	<hr/>	<hr/>
<b>Detailed benefit surplus at 31 March 2022</b>	972,000	(405,000)
Asset ceiling loss	(972,000)	-
	<hr/>	<hr/>
<b>Net defined benefit surplus/(liability) recognised in accounts at 31 March 2022</b>	-	(405,000)
	<hr/>	<hr/>

ELCAP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

17. Pension Costs (continued)

Amount recognised in the statement of financial activities over the year	31 March 2022 £	31 March 2021 £
Current service costs	130,000	109,000
Interest on liabilities	192,000	194,000
Interest on assets	(183,000)	(209,000)
	<hr/>	<hr/>
Total	139,000	94,000
	<hr/>	<hr/>

Reconciliations of assets and defined benefit obligation

The change in the assets over the period was:-

	31 March 2022 £	31 March 2021 £
Fair value of assets at the beginning of the period	9,268,000	9,138,000
Interest on assets	183,000	209,000
Participants contributions	16,000	17,000
Company contributions	77,000	112,000
Benefits paid	(273,000)	(209,000)
Return on plan assets less interest	851,000	634,000
Other experience	-	(633,000)
	<hr/>	<hr/>
Fair value of assets at the end of the period	10,122,000	9,268,000
	<hr/>	<hr/>

The change in the defined benefit obligations over the period was:-

	31 March 2022 £	31 March 2021 £
Defined Benefit Obligation at the beginning of the period	9,673,000	8,470,000
Service costs	130,000	109,000
Interest costs	192,000	194,000
Participant contribution	16,000	17,000
Benefits paid	(273,000)	(209,000)
Experience gain/ (loss) on defined benefit obligation	19,000	(268,000)
Changes to financial assumptions	(552,000)	1,707,000
Changes to demographic assumptions	(55,000)	(347,000)
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Defined benefit obligation at the end of the period	9,150,000	9,673,000
	<hr/>	<hr/>

## ELCAP

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 17. Pension Costs (continued)

##### Assets

The major categories of assets as a percentage of total assets are as follows:-

Equities	71%
Bonds	13%
Property	6%
Cash	10%

The assets do not include any investment in ELCAP or related parties.

##### Actuarial Assumptions

The principal assumptions used to calculate the Scheme's liabilities include:

	31 March 2022 £	31 March 2021 £
Pension increase rate	3.20% pa	2.85% pa
Discount rate	2.70% pa	2.00% pa
Salary increase rate	3.70% pa	3.35% pa

##### **Mortality**

###### **Year to 31 March 2022**

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rate of 1.25% pa.

	Males	Females
Current pensioners	20.3 yrs	23.1 yrs
Future pensioners*	21.6 yrs	25.0 yrs

\*figures assume members aged 45 at the last formal valuation.

##### DEFINED CONTRIBUTION SCHEMES

###### **Company Personal Pension Scheme**

This is a money purchase scheme with Standard Life. The company contributes on a matched basis to the employees to a maximum of 6%. Total contributions to this scheme were £53,174 (2021: £51,823).

Outstanding contributions at the balance sheet date were £nil (2021: £4,860).

###### **Other Personal Pensions**

The company contributes on a matched basis to the employees' contribution to a maximum of 6%. Total contributions to this scheme were £700 (2021: £700).

## ELCAP

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 18. Company Limited by Guarantee

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the company in the event of it being wound up while they are a member or within one year after they cease to be a member of the company. At the balance sheet date there were 139 (2021: 149) members.

The company is registered in Scotland and its registered office is shown in the Trustees' Report.

#### 19. Financial Assets and Liabilities

	2022 £	2021 £
Financial assets at amortised cost	2,667,359	2,184,503
Financial assets at fair value	3,229,235	3,165,952
Financial liabilities amortised through the balance sheet	431,180	354,136

Financial assets measured at amortised cost comprise: trade debtors and cash at bank and in hand. Financial assets at fair value comprise investments. Financial liabilities measured at amortised cost comprise: trade creditors, accruals and sundry creditors.