

REGISTERED COMPANY NUMBER: SC392721 (Scotland)
REGISTERED CHARITY NUMBER: SC042249

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2012
for
Leuchie**



Gibson McKerrell Brown LLP
Chartered Accountants and Statutory Auditors
14 Rutland Square
Edinburgh
EH1 2BD

Leuchie

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for the Year Ended 31 December 2012**

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Leuchie

Report of the Trustees for the Year Ended 31 December 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC392721 (Scotland)

Registered Charity number

SC042249

Registered office

Leuchie House
North Berwick
East Lothian
EH39 5NT

Trustees

Rhona M Brankin	
Anne Butterfield	- appointed 2.2.12
Captain Paul Du Vivier	
Alexander D Ford	
John C McCluskie	- appointed 2.2.12
Keith D Murdoch	
Mark T Reid	
Letitia Smith	- resigned 18.1.13
Sophie Tulloch	
Sir David Tweedie	
David C Ogilvy	- appointed 1.6.12
Alan J Hartley	- appointed 22.10.12

Company Secretary

John C McCluskie

Auditors

Gibson McKerrell Brown LLP
Chartered Accountants and Statutory Auditors
14 Rutland Square
Edinburgh
EH1 2BD

Bankers

Royal Bank of Scotland
12 Westgate
North Berwick
EH39 4AF

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Leuchie

Report of the Trustees for the Year Ended 31 December 2012

OBJECTIVES AND ACTIVITIES

Objectives and aims

Leuchie is dedicated to enhancing the quality of life for those people affected by long term physical disability by providing high quality respite care and holiday packages in a non-clinical setting, with a dedicated team of professionals to support the needs of both guests and carers.

Leuchie provides a variety of services including 24 hour specialist nursing care, in-house physiotherapy and complementary therapies and a full programme of outings and activities.

ACHIEVEMENT AND PERFORMANCE

During the year the charity continued to develop its range of services as a respite short break centre offering guests requiring high levels of physical dependency, along with their carers and families, the opportunity to relax, recover and learn new skills. Leuchie provides preventative, rehabilitative, re-ablement and intermediary respite and care, supporting independence for complex care conditions.

The trustees are pleased with the continued development of the charity over the year. Leuchie's vision is to become the leading provider of high quality respite care, revitalising and transforming the lives of guests and carers.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Leuchie for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the trustees are aware:

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

AUDITORS

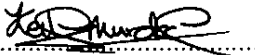
The auditors, Gibson McKerrell Brown LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

AUDITORS

The auditors, Gibson McKerrell Brown LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Keith D Murdoch - Trustee

15th April 2013

Report of the Independent Auditors to the Trustees of Leuchie

We have audited the financial statements of Leuchie for the year ended 31 December 2012 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities and Trustee Investment (Scotland) Act 2005 rather than also with the Companies Act 2006. Accordingly we have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

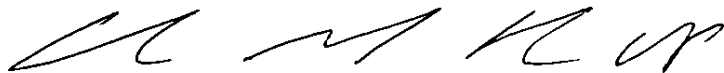
- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Report of the Independent Auditors to the Trustees of
Leuchie**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Gibson McKerrell Brown LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
14 Rutland Square
Edinburgh
EH1 2BD

16th April 2013

Leuchie

**Statement of Financial Activities
for the Year Ended 31 December 2012**

				Year Ended 31.12.12	Period 2.2.11 to 31.12.11
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	260,268	61,624	321,892	637,398
Activities for generating funds	3	6,174	-	6,174	34,774
Investment income	4	761	-	761	-
Incoming resources from charitable activities					
Short break care	5	<u>743,397</u>	<u>-</u>	<u>743,397</u>	<u>376,908</u>
Total incoming resources		1,010,600	61,624	1,072,224	1,049,080
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	6	3,739	-	3,739	1,848
Charitable activities					
Short break care	7	1,302,950	50,298	1,353,248	644,414
Governance costs	9	<u>15,551</u>	<u>-</u>	<u>15,551</u>	<u>21,110</u>
Total resources expended		1,322,240	50,298	1,372,538	667,372
NET INCOMING/(OUTGOING) RESOURCES					
	10	(311,640)	11,326	(300,314)	381,708
RECONCILIATION OF FUNDS					
Total funds brought forward		363,602	18,106	381,708	-
TOTAL FUNDS CARRIED FORWARD		<u>51,962</u>	<u>29,432</u>	<u>81,394</u>	<u>381,708</u>

The notes form part of these financial statements

Leuchie

Balance Sheet
At 31 December 2012

	Notes	Unrestricted funds £	Restricted funds £	31.12.12 Total funds £	31.12.11 Total funds £
FIXED ASSETS					
Tangible assets	13	10,651	25,145	35,796	19,149
CURRENT ASSETS					
Debtors	14	138,276	-	138,276	183,723
Cash at bank and in hand		114,894	41,371	156,265	326,645
		<u>253,170</u>	<u>41,371</u>	<u>294,541</u>	<u>510,368</u>
CREDITORS					
Amounts falling due within one year	15	(211,859)	(37,084)	(248,943)	(147,809)
NET CURRENT ASSETS		<u>41,311</u>	<u>4,287</u>	<u>45,598</u>	<u>362,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>51,962</u>	<u>29,432</u>	<u>81,394</u>	<u>381,708</u>
NET ASSETS		<u>51,962</u>	<u>29,432</u>	<u>81,394</u>	<u>381,708</u>
FUNDS	16				
Unrestricted funds				51,962	363,602
Restricted funds				29,432	18,106
TOTAL FUNDS				<u>81,394</u>	<u>381,708</u>

The notes form part of these financial statements

Leuchie

Balance Sheet - continued
At 31 December 2012

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2012.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

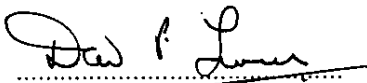
The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 15th April 2013 and were signed on its behalf by:


Sir David Tweedie - Trustee


Keith D Murdoch - Trustee

**Notes to the Financial Statements
for the Year Ended 31 December 2012**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc	- at varying rates on cost
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Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

2. VOLUNTARY INCOME

	Year Ended 31.12.12	Period 2.2.11 to 31.12.11
	£	£
Donations	134,483	522,039
Gift aid	5,731	46,216
Grants	<u>181,678</u>	<u>69,143</u>
	<u>321,892</u>	<u>637,398</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Year Ended 31.12.12	Period 2.2.11 to 31.12.11
	£	£
Fundraising events	2,300	32,527
Shop income	<u>3,874</u>	<u>2,247</u>
	<u>6,174</u>	<u>34,774</u>

4. INVESTMENT INCOME

	Year Ended 31.12.12	Period 2.2.11 to 31.12.11
	£	£
Deposit account interest	<u>761</u>	<u>-</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	Year Ended 31.12.12	Period 2.2.11 to 31.12.11
		£	£
Fees	Short break care	725,307	368,174
Expenses recharged to guests	Short break care	14,123	7,117
Staff meal income	Short break care	<u>3,967</u>	<u>1,617</u>
		<u>743,397</u>	<u>376,908</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

6. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	Year Ended 31.12.12	Period 2.2.11 to 31.12.11
	£	£
Purchases	<u>3,739</u>	<u>1,848</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Short break care	<u>773,134</u>	<u>580,114</u>	<u>1,353,248</u>

8. SUPPORT COSTS

	Year Ended 31.12.12	Period 2.2.11 to 31.12.11
	£	£
Management & Administration Salaries	306,895	118,621
Fund raising Costs	14,781	4,569
Property Costs	121,211	53,824
Other Overheads	124,328	109,298
Finance Costs	2,957	1,272
Depreciation	<u>9,942</u>	<u>3,496</u>
	<u>580,114</u>	<u>291,081</u>

9. GOVERNANCE COSTS

	Year Ended 31.12.12	Period 2.2.11 to 31.12.11
	£	£
Legal fees	11,951	18,110
Auditors' remuneration	<u>3,600</u>	<u>3,000</u>
	<u>15,551</u>	<u>21,110</u>

10. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Year Ended 31.12.12	Period 2.2.11 to 31.12.11
	£	£
Auditors' remuneration	3,600	3,000
Depreciation - owned assets	9,942	3,496
Hire of plant and machinery	<u>3,287</u>	<u>1,272</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2012 nor for the period ended 31 December 2011.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 December 2012 nor for the period ended 31 December 2011.

12. STAFF COSTS

	Year Ended 31.12.12 £	Period 2.2.11 to 31.12.11 £
Wages and salaries	924,474	386,721
Social security costs	68,459	46,589
Other pension costs	11,750	5,711
	<u>1,004,683</u>	<u>439,021</u>

13. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2012	22,645
Additions	<u>26,589</u>
At 31 December 2012	<u>49,234</u>
DEPRECIATION	
At 1 January 2012	3,496
Charge for year	<u>9,942</u>
At 31 December 2012	<u>13,438</u>
NET BOOK VALUE	
At 31 December 2012	<u>35,796</u>
At 31 December 2011	<u>19,149</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.12 £	31.12.11 £
Trade debtors	89,816	168,338
Other debtors	<u>48,460</u>	<u>15,385</u>
	<u>138,276</u>	<u>183,723</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.12 £	31.12.11 £
Trade creditors	46,092	18,679
Taxation and social security	20,161	21,739
Other creditors	<u>182,690</u>	<u>107,391</u>
	<u>248,943</u>	<u>147,809</u>

16. MOVEMENT IN FUNDS

	At 1.1.12 £	Net movement in funds £	At 31.12.12 £
Unrestricted funds			
General fund	363,602	(311,640)	51,962
Restricted funds			
Restricted funds	18,106	11,326	29,432
	<u>381,708</u>	<u>(300,314)</u>	<u>81,394</u>
TOTAL FUNDS			

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,010,600	(1,322,240)	(311,640)
Restricted funds			
Restricted funds	61,624	(50,298)	11,326
	<u>1,072,224</u>	<u>(1,372,538)</u>	<u>(300,314)</u>
TOTAL FUNDS			

Leuchie**Detailed Statement of Financial Activities
for the Year Ended 31 December 2012**

	Year Ended 31.12.12 £	Period 2.2.11 to 31.12.11 £
INCOMING RESOURCES		
Voluntary income		
Donations	134,483	522,039
Gift aid	5,731	46,216
Grants	<u>181,678</u>	<u>69,143</u>
	321,892	637,398
Activities for generating funds		
Fundraising events	2,300	32,527
Shop income	<u>3,874</u>	<u>2,247</u>
	6,174	34,774
Investment income		
Deposit account interest	761	-
Incoming resources from charitable activities		
Fees	725,307	368,174
Expenses recharged to guests	14,123	7,117
Staff meal income	<u>3,967</u>	<u>1,617</u>
	<u>743,397</u>	<u>376,908</u>
Total incoming resources	1,072,224	1,049,080
RESOURCES EXPENDED		
Fundraising trading: cost of goods sold and other costs		
Purchases	3,739	1,848
Charitable activities		
Wages	650,383	281,630
Social security	44,107	37,315
Pensions	3,298	1,455
Direct costs	<u>75,346</u>	<u>32,934</u>
	773,134	353,334
Governance costs		
Legal fees	11,951	18,110
Auditors' remuneration	<u>3,600</u>	<u>3,000</u>
	15,551	21,110

This page does not form part of the statutory financial statements

Leuchie**Detailed Statement of Financial Activities
for the Year Ended 31 December 2012**

	Year ended 31.12.12	Period 2.2.11 to 31.12.11
Support Costs		
Management and administration salaries	274,091	105,091
Wages	24,352	9,274
Social Security	<u>8,452</u>	<u>4,256</u>
Pensions	306,895	118,621
Fundraising costs		
Fundraising and events	14,781	4,569
Property		
Rates and water	4,976	191
Insurance	29,184	17,198
Repairs and maintenance	42,301	14,762
Heat and light	<u>44,750</u>	<u>21,673</u>
	121,211	53,824
Other overheads		
Accountancy	22,879	10,953
Consultancy fees	22,704	30,422
Hire of plant	3,287	1,272
Telephone	7,409	3,102
Postage and stationery	9,719	5,745
Sundries	5,575	3,287
Entertainment	94	1,037
Motor expenses	14,695	6,112
Travel and subsistence	2,350	2,884
Computer costs	9,193	19,561
Licence and permits	4,711	6,252
Staff costs	14,856	11,602
Advertising	<u>6,856</u>	<u>7,069</u>
	124,328	109,298
Finance		
Bank charges	2,957	1,272
Depreciation		
Improvements to property	2,011	-
Plant and machinery	818	73
Fixtures and fittings	293	97
Computers	<u>6,820</u>	<u>3,326</u>
	<u>9,942</u>	<u>3,496</u>
	580,114	291,080
Total Resources expended	<u>1,372,538</u>	<u>667,373</u>
Net Incoming Resources	<u>(330,314)</u>	<u>381,708</u>

This page does not form part of the statutory financial statements