



**Company Limited by Guarantee**  
**Company No SC256488**  
**Registered Charity SC035078**

**Financial statements for the year ended 31 March 2021**

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## Company Details

Company Reg No.:	SC256488
Charity Number:	SC035078
Registered Office:	4 Rogart Street, Bridgeton, Glasgow, G40 2AA
Trustees:	Cathy Fallon (Chair) Anthony Smith Clinton Haney Fraser Robertson Isobel Brown Janine Hunt Joe Mulholland Sarah Bickerstaff Andrew Curran (resigned 1 <sup>st</sup> April 2021) Rev James Dean (resigned 1 <sup>st</sup> April 2021)
Company Secretary:	McSparran McCormick Waterloo Chambers 19 Waterloo Street Glasgow, G2 6AH
Key Management Personnel:	Chief Executive – Mrs Patricia Donnelly Director of Corporate Services – Mrs Lorraine Eivers Director of Operations – Ms Una Munro (resigned 11th June 2021) Director of Finance – Miss Irene Saunders Interim Head of Quality and Compliance - Mr Martin Glackin
Bankers:	The Royal Bank of Scotland 1 <sup>st</sup> Floor, 100 West George Street, Glasgow, G2 1PP
Solicitors:	McSparran McCormick Waterloo Chambers 19 Waterloo Street, Glasgow, G2 6AH
Auditors:	Henderson Loggie LLP 11-15 Thistle Street, Edinburgh, EH2 1DF
Financial Advisors	Stewart Financial Management Ltd 2 Woodside Place, Glasgow, G3 7QF
Website:	<a href="http://www.themungofoundation.org.uk">www.themungofoundation.org.uk</a>

## **Report of the Trustees Year Ended 31 March 2021**

The Trustees present their annual report and the audited financial statements of The Mungo Foundation for the year ended 31 March 2021.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and the Charities SORP - 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).

The directors of the charity are its Trustees and members and are referred to as Trustees throughout.

### **Incorporation**

The Mungo Foundation is registered with OSCR as a charitable organisation. It was incorporated on 23 September 2003 as a company limited by guarantee (SC 256488) and operated as a subsidiary of The Archdiocese of Glasgow from 1 April 2004. The charity's Memorandum and Articles of Association were last amended by special resolution on 24 June 2020 when it became a wholly independent charity.

### **Aims and Activities**

The legal objectives of the charity are to:

- Promote welfare
- Relieve poverty
- Advance education for the public benefit by the provision of wide-ranging social services to children and adults with care and support needs within Scotland.

The objectives and aims are met through the provision of regulated social care services in our residential, community-based care and support, respite and day care projects to individuals and groups across the lifespan.

The charity is headed by a Board of Trustees. The management of the company is headed by a Chief Executive who reports to the Chairperson and Board on a regular basis and to whom Director of Operations, Director of Corporate Services, Director of Finance, Interim Head of Quality and Compliance and their staff, are accountable.

The strategic decisions affecting the charity are made by the Trustees, with operational decisions delegated to the Chief Executive and the Executive Management Team.

## **Report of the Trustees Year Ended 31 March 2021 (continued)**

### **Key management personnel remuneration**

The Trustees consider the Board of Trustees, the Chief Executive and Executive Management team as the key management personnel of the charity in charge of directing and controlling the organisation. All trustees give of their time freely and no Trustee remuneration was paid in the year. The pay of the charity's Chief Executive and Senior Management Team is set by the Board of Trustees, and is reviewed with reference to executive management benchmarking on pay and conditions across the sector.

New Trustees of the charity meet with the Board Chairperson and the Chief Executive to discuss their role and responsibilities on behalf of the charity. A copy of the Memorandum and Articles of Association, along with other supporting documentation such as delegation of authority matrix, codes of conduct, and the current Strategic Business Plan are provided as part of this process, together with a plan of induction. The Company Secretary, who is also the company's lawyer, attends Board meetings as required to provide advice and updates on changing legislation. The roles and responsibilities of Trustees and the requirements of the Office of the Scottish Charity Regulator are discussed at Board meetings. Trustee Board development meetings are facilitated at least annually, to ensure that:

- The strategic direction of the organisation is reviewed
- The overarching governance framework is effective
- Trustees demonstrate an understanding of the duties and responsibilities associated with their role

Training for Trustees on governance and other matters is available via recognised providers and agencies.

### **Related Parties**

The Mungo Foundation operated as a subsidiary of The Archdiocese of Glasgow until 24 June 2020, at which time it became a wholly independent charity with its Memorandum and Articles of Association amended by special resolution.

### **Performance and Organisational Update 2020/2021**

Throughout the 2020- 2021 business year, the organisation operated in a global pandemic that brought unprecedented levels of uncertainty, volatility, change and ambiguity to the sector. The impact of the pandemic touched every aspect of the organisation's activity and toward the end of March 2020, invoked the implementation of our organisational pandemic and business contingency plans. Mobilising resources, our COVID Operational Dynamic Risk Assessment Group (CODRAG) was established to ensure a reasonable, proportionate, and practicable response was made, and that risk management plans remained subject to continuous review and refinement. The aim of CODRAG is to safeguard those who use our service, our staff and wider public from serious illness or death from COVID-19. With CODRAG membership comprising senior individuals from our operations and critical business support teams, our approach to dynamic risk management is integrated and delivered through a lens of partnership and improvement to ensure that approaches reflect best practice and regulations and incorporate primary legislation and changing regulations as increased knowledge and research emerges.

## Report of the Trustees Year Ended 31 March 2021 (continued)

The reporting period saw the postponement of the launch of our 5 year strategic plan, with priority given to the operationalisation of our COVID-19 pandemic and business continuity risk management plans. This decision was taken to ensure that risk management and continuity plans were effectively translated across our care and support services as well as in critical areas of business activity. Notwithstanding this, the Executive team did ensure that workplans were revised and critically examined against the strategic priorities of the postponed plan, which enabled KPI and performance measurement frameworks to be developed, tested and refined for full deployment in the 2021/2022 business year.

The key elements of performance and development during this time are summarised in the table below. Key observations from our performance include:

- The Executive Team note that a trajectory from higher grades of 5 and 6 to grades of 4 (good) are consequences of the pandemic that have restricted the activities within services often associated with higher performance. For example, individualized support and socialization activities, individual and community engagement, higher levels of investment in training and development opportunities for staff.
- While the standard of service has remained at good to excellent levels during the period, the reality of COVID risk management is closure and contraction of some non-essential services, restrictions on essential services and COVID and furlough related staff absence.
- Notwithstanding the challenges, the maintenance of good grades across our support and care service provision is testament to the commitment, talent, and agility of our workforce

### Operational Performance

Care Inspectorate Quality Themes:	April 2020	April 2021
Quality of care Grades	90% very good to excellent (5-6) 10% good (4)	80 % very good to excellent (5-6) 20% good (4)
Quality of staffing	79% very good to excellent (5-6) 21% good (4)	69% very good to excellent (5-6) 31% good
Quality of leadership	77% very good to excellent (5-6) 23% good (4)	58 % very good to excellent (5-6) 41% good (4)

## Report of the Trustees Year Ended 31 March 2021 (continued)

### Launch of 2021- 2026 Strategic Plan:

Our strategy, introduced in April 2021, provides a framework that underpins both our 2021-2022 high impact plan and our COVID recovery roadmap; the objectives being, to take stock, consolidate, anticipate and predict, along with strengthen and mobilise resources in an informed and effective way.

The combination of the high impact plan and our 3 phase COVID roadmap of Regroup, Repurpose, Reclarify, provide a blueprint that enables us to provide direction, define key milestones for success and deliver an approach that requires engagement with those concerned.

Work in the reporting period included the development, testing and refining of a performance reporting framework aligned to the anticipated strategic measurements and targets associated with the 2021-2026 plan. This has been deployed and underpins the key targets and operational activities considered necessary for continuous improvement. KPI data whilst evolving show that our defined deliverables are largely being met, with areas of development and improvement highlighted and actioned both in terms of improvement at service level but also within the reporting framework itself.

### COVID Recovery Roadmap

This has been devised to support our 12 month high impact plan and comprises a 3 stepped approach of Regroup, Repurpose, Reclarify, providing a defined direction and key milestones for success. Key to this is continued engagement with stakeholders.

To ensure our leadership team are responsive to the dynamic environment in which we operate, we have adopted the VUCA model as below. This enables ET to consider the impact of individual and collective leadership in an ever-changing landscape.

<b>Be Reliable in Volatile situations</b> Leaders who follow through on what is said and agreed to, will accelerate positive momentum	<b>Be Understandable in Ambiguous situations</b> Leaders who demonstrate purpose, direction and responsibilities will empower others
<b>Be Trustworthy in Uncertain situations</b> Leaders who invest in people, keep teams engaged, involve partners, seem to understand, speak to be understood, act with respect always	<b>Be Direct in Complex situations</b> Leaders who demonstrate transparency in information communicated and received will gain mutual trust and collaborative efforts

## **Report of the Trustees Year Ended 31 March 2021 (continued)**

### **Financial Review**

The Trustees report a net surplus of £95,675 for the year (2020: deficit £157,623) with net assets of £2,319,773 as at 31 March 2021 (2020: £2,224,098).

The organisation has robust financial management policies and procedures in place with management of income and expenditure via a devolved budgeting process. Financial results and performance are monitored by our Audit and Risk Committee.

As detailed above, the year has been challenging in terms of the pandemic and as a consequence the sustainability of services has been a key area of focus and this has resulted in a net surplus for the year which is a turnaround from the previous year's small deficit position.

The principal source of funding comes from working in partnership with Local Authorities and other funding bodies in the provision of care services within Glasgow and the West of Scotland. The income generated from this source amounted to £16,398,201 (2020: £16,466,501).

During the year donations and legacies were received of £57,529 (2020: £102,801).

### **Reserves Policy**

The Mungo Foundation operates in a market in which it is difficult to accumulate reserves. The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately 1.5 months of unrestricted expenditure. As at 31 March 2021 the total reserves of the charity were £2,319,773 (2020: £2,224,098). Included within this are restricted reserves of £48,332 (2020: £41,518) and the net book value of fixed assets of £1,184,000 (2020: £1,206,534) leaving unrestricted reserves of £1,087,441 (2019: £976,046). This represents 0.81 months' worth of unrestricted expenditure. The Trustees will continue to endeavour to ensure careful cash management and close ongoing monitoring of risks are in place to maintain adequate free reserves.

### **Going Concern**

The financial statements have been prepared on a going concern basis. Sensitivity analysis has been carried out to stress test funding and income sources to assess the impact of COVID-19 on the organisation's liquidity and ability to continue as a going concern. Based on these results, the Trustees are confident that the actions and strategies implemented together with financial results support the going concern principle.

While we appreciate that the consequences of COVID-19 have been significant we do anticipate that the socio-health- politico-economic implications are likely to continue to place increase demand on an already pressurised health and social care sector. Notwithstanding this reality, and with an element of optimism following the recent publication of the Feeley Review of Adult Social Care, we are confident that we are well placed to inform and support the reform of Scottish Social Care, nationally and locally.



## **Report of the Trustees Year Ended 31 March 2021 (continued)**

### **Governance and Risk Management**

Our formal Corporate Risk Register is reviewed by the Board of Trustees annually and updated on a quarterly basis at Board Meetings. The Terms of Reference of our recently established Audit, Finance and Risk Committee (ARC) further ensures that deep dives of critical risk, tolerance levels and mitigations are examined. Additionally, the creation of our Workforce and Organisational Development Committee (WODC) and our Quality Improvement and Compliance Committee (QCIC) enable the effectiveness and integration of operational risk management plans to be examined in relation to financial, corporate, workforce, safeguarding and compliance contexts and outcomes.

Internal risks are minimised by the implementation of organisational policy and procedures and subject to systems of review and monitoring. The implementation of our Strategic Plan from April 2021 will seek to actively address key challenges; seeking to mitigate risks, whilst building upon success, strengths and opportunities.

Our Quality Assurance Management system (QAMS) provides an internal Governance Framework that defines and details the key processes governing organisational and operational activities, and from which our third level standard operational policy and procedures cascade. The framework ensures that a systematic approach across H&S; Service delivery; Finance, IT, Data Protection, Risk & Commercial Management, and People and organisational development is deployed. Furthermore, our internal governance activities provide ongoing monitoring and checking at operational levels, supports stakeholder engagement, feedback and review, and a rolling programme of internal audit & inspection, that together inform our improvement and excellence priorities and governance activities.

The audit scope covers key practice, regulatory, safeguarding and care requirements. The production of Performance management data provides the Executive and Senior Management Team with information on key aspects of Health and Safety, Fiscal and operational risk on a regular basis. Our Health and Safety Audits have been updated to reflect the pandemic constrictions, while ensuring a proportionate level of inspection is maintained.

### **Equal Opportunities in Employment**

The Mungo Foundation is fully committed to be an equal opportunities employer, enriched by its diversity and opposed to all forms of unlawful and unfair discrimination. The company is committed to equal opportunities, which refers to the fair treatment of individuals at work, with employment decisions being made on relevant objective criteria. The company will not discriminate on the grounds of age, disability, sex, gender assignment, pregnancy, maternity, race (which includes colour, nationality and ethnic or national origin), sexual orientation, religion or belief, or because someone is married or in a civil partnership. The company is recognised as a Disability Aware employer and has been awarded the 'two ticks' symbol by Job Centre Plus. In line with our commitment to employing people with disabilities and retaining employees with disabilities in employment, we guarantee an interview to disabled applicants who meet the minimum criteria for the role.

## **Report of the Trustees Year Ended 31 March 2021 (continued)**

### **Employee Information**

Organisational HR policy ensures that staff have continued access to professional supervision and training opportunities. During the reporting period the application of our employee related policy has been amended to reflect COVID 19 regulations that have been introduced. Adherence to our policy is monitored at service and regional levels through checks and audits, and examined through internal governance committees and formal Joint Consultative Committees with our Trade Union Partner. Recognising what has been referred to nationally as a crisis within the social care workforce, TMF is proactively and fervently taking steps to respond innovatively and responsibly to the challenges facing providers and have secured representation, involvement and engagement both locally and nationally in working groups and forums around Fair Work, Talent Management, Technological Transformation, Recruitment and Retention

The organisation is committed to Scottish Government's commitment to eradicating workplace poverty and are committed to maintaining Scottish Living Wage (SLW) for all staff. At time of report the organisation continues to facilitate a Job Evaluation exercise with anticipated completion October 2021. The organisation recently gained recognition as an Accredited Living Wage Employer

Further information is available through the Human Resources Department and the Operational Departments.

### **Plans for Future Period**

The organisation is committed to the deployment of our 12 month high impact element of our 2021-2026 Strategic Plan. The plan sets out 4 Strategic Priorities, defines our ambition and reaffirms our commitment to our stakeholders and the people we serve. In line with the plan we will continue to engage with our commissioners, key policy makers and stakeholders in order that we understand the consequences of COVID-19 and align our direction with the national and local policy priorities and intentions for health and social care sector in Scotland. The plan sets out a modest target for growth over the period, with a recognition that consolidation, recovery and planning are cornerstone foundations if we are to successfully deliver on our priorities and ambition.

## **Report of the Trustees Year Ended 31 March 2021 (continued)**

### **Trustees**

The Trustees who served the company during the year and those changes since the end of the financial year are listed on page 3.

Cathy Fallon (Chair)

Anthony Smith

Clinton Haney

Fraser Robertson

Isobel Brown

Janine Hunt

Joe Mulholland

Sarah Bickerstaff

Andrew Curran (resigned 1<sup>st</sup> April 2021)

Rev James Dean (resigned 1<sup>st</sup> April 2021)

## Report of the Trustees Year Ended 31 March 2021 (*continued*)

### Trustees' Responsibilities Statement

The Trustees (who are also directors of The Mungo Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Trustees 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 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 these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in the Charities SORP (FRS 102);
- 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 explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them.

To ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. The trustees 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.

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Report of the Trustees Year Ended 31 March 2021 (continued)**

**Auditors**

The Trustees appointed Henderson Loggie LLP as auditors to The Mungo Foundation for the year ended 31 March 2020. The accounts have been prepared by The Mungo Foundation and audited by Henderson Loggie LLP.

Henderson Loggie LLP offer themselves for reappointment as auditors in accordance with the Companies Act 2006.

The Report of the Trustees, incorporating the Strategic Report, was approved by the Trustees and is signed on their behalf.



.....  
**Cathy Fallon**  
**Trustee**



.....  
**Fraser Robertson**  
**Trustee**

**Date: 29 November 2021**

## **Independent auditor's report to the Trustees and Members of The Mungo Foundation**

### **Opinion**

We have audited the financial statements of The Mungo Foundation (the 'company') for the period ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 (as amended)

### **Basis of opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

## **Independent auditor's report to the Trustees and Members of The Mungo Foundation (continued)**

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report which includes the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Trustees are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the Trustees and Members of The Mungo Foundation (continued)**

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading correspondence with regulators including the Care Inspectorate, Health and Safety Executive and OSCR;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in significant accounting estimates, in particular in relation to depreciation rates; valuation of properties and debtors and termination provisions; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety; care regulations; employment law (including the Working Time Directive); and compliance with charity legislation and the UK Companies Act.

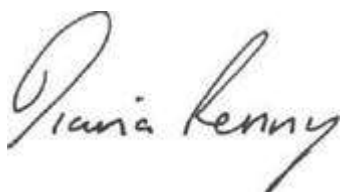
Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.



**Independent auditor's report to the Trustees and Members of The Mungo Foundation  
(continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.



**Diana Penny** (Senior Statutory Auditor)

*For and on behalf of Henderson Loggie LLP,*

*Chartered Accountants*

*Statutory Auditor*

*(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)*

11-15 Thistle Street

Edinburgh

EH2 1DF

6 December 2021

**Statement of Financial Activities (Including Income and Expenditure Account)**  
**for the year ended 31 March 2021**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£
<b>Income from:</b>					
Donations and Legacy Income	3	11,196	46,333	57,529	102,801
Charitable Activities	4	16,398,201		16,398,201	16,466,501
Investment Income	5	655	-	655	2,081
<b>Total Income</b>		<b>16,410,052</b>	<b>46,333</b>	<b>16,456,385</b>	<b>16,571,383</b>
<b>Expenditure</b>					
Cost of Raising Funds		184	-	184	978
Charitable Activities	6	16,324,896	36,380	16,361,276	16,728,028
<b>Total Expenditure</b>		<b>16,325,080</b>	<b>36,380</b>	<b>16,361,460</b>	<b>16,729,006</b>
<b>Net Income</b>		84,972	9,953	94,925 (	157,623 )
Transfer between Funds		3,138	(3,138)	-	-
Other recognised gains/losses		750	-	750	-
Net movement in funds		88,860	6,815	95,675 (	157,623 )
Total funds brought forward		2,182,580	41,518	2,224,098	2,381,721
Total funds carried forward		2,271,440	48,333	2,319,773	2,224,098

The accompanying accounting policies and notes form part of these accounts.

**Balance Sheet**  
as at 31 March 2021

		2021	2021	2020	2020
		£		£	
<b>Fixed Assets</b>					
Tangible	10		<b>1,184,000</b>		1,206,534
<b>Current Assets</b>					
Debtors	11	<b>2,237,907</b>		1,377,903	
Cash at bank and in hand		<b>1,115,383</b>		944,224	
		<b>3,353,290</b>		<b>2,322,127</b>	
<b>Current Liabilities</b>					
Creditors falling due within one year	12	<b>1,588,689</b>		1,006,830	
Net Current Assets			<b>1,764,601</b>		1,315,297
<b>Total assets less current liabilities</b>			<b>2,948,601</b>		2,521,831
Creditors falling due more than one year	13		<b>628,828</b>		297,733
<b>Total Net Assets</b>			<b>2,319,773</b>		<b>2,224,098</b>
Reserves					
Unrestricted Reserve	15	<b>1,894,554</b>		1,797,363	
Revaluation Reserves	15	<b>376,886</b>	<b>2,271,440</b>	385,217	2,182,580
Restricted Reserves	15		<b>48,333</b>		41,518
			<b>2,319,773</b>		<b>2,224,098</b>

The financial statements were approved by the Trustees on **29 November 2021** and signed on their behalf by:



**Cathy Fallon**  
Trustee



**Fraser Robertson**  
Trustee

The accompanying accounting policies and notes form part of these accounts.

**Statement of Cash Flows**  
**for the year ended 31<sup>st</sup> March 2021**

	Note	2021 £	2020	£
<b>Cash Provided by operating activities</b>	17	<b>(138,720)</b>		430,633
<b>Cash Flows from Investing Activities</b>				
Interest Income		656	2,081	
Interest Payable on Loans		(2,656)	(5,822)	
Purchase of tangible fixed assets		(68,431)	(63,391)	
Proceeds from sale of fixed assets		750	-	(67,132)
		<b>(69,681)</b>		
<b>Cash used in Investing Activities</b>		<b>(69,681)</b>		(67,132)
<b>Cash Flows from Financing Activities</b>				
Repayment of Borrowing		(120,440)	(115,000)	
Cash inflows from New Borrowing		500,000	-	(115,000)
		<b>379,560</b>		
<b>Cash Used in Financing Activities</b>		<b>379,560</b>		(115,000)
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>		<b>171,159</b>		248,501
Cash and cash equivalents at the beginning of the year		<b>944,224</b>		695,723
<b>Total cash and cash equivalents at the end of the year</b>		<b>1,115,383</b>		944,224

The accompanying accounting policies and notes form part of these accounts.

## Notes to the financial statements

### 1. Accounting Policies

#### **Basis of Preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, the Charities and the Trustee Investment (Scotland) Act 2005.

The charity meets the definition of a public benefit entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 3. The Financial Statements are prepared under FRS102 and are prepared in £ Sterling, the functional currency of the charity rounded to the nearest pound.

The accounts have been prepared under the historical cost convention with the exception of leasehold property which is subject to periodic revaluation to market value.

#### **Going Concern**

The Board of Trustees have reviewed the charity's forecasts and plans, taking account of the effects of the COVID-19 pandemic and future funding. They have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the charity to continue as a going concern. The Trustees believe there are adequate resources to continue in operational existence for the foreseeable future, being 12 months after the date the financial statements are signed. Thus they continue to adopt the going concern basis of accounting.

#### **Income**

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

Donation and legacies include donations, gifts and grants that provide core funding or are of general nature.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions, and is recognised as the related services are provided. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and where the amount can be measured with sufficient reliability.

## Notes to the financial statements (*continued*)

### 1 Accounting Policies (*continued*)

#### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds comprise the costs associated with attracting donations and legacies.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and service provision. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and service provision. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

#### **Allocation of Support Costs**

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. in line with the costs recoverable under the terms of the service provision contracts.

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **Tangible Fixed Assets**

Properties and other fixed assets donated to the charity are included as income at market value at the time of receipt and are shown as assets on the balance sheet until disposal takes place.

All other fixed assets are initially recorded at cost.

Leasehold and freehold properties are revalued every five years. The surpluses or deficits on revaluation of such properties are transferred to the relevant fund to which the assets relate, namely, designated, restricted or unrestricted.

Significant purchases of fixed assets are capitalised and depreciated.

## Notes to the financial statements (*continued*)

### Depreciation

Depreciation is calculated to write down the cost or valuation of tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Leasehold Property	Over the economic life of the asset
Freehold Property	2%
Furniture, Fittings & Equipment	15% - 33.3%
Computers	15% - 33.3%
Vehicles	15% - 33.3%

### Debtors

Trade and other debtors are recognised at the settlement value due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

### Cash at Bank or in Hand

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

### Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### Restricted and Designated Funds

Amounts receivable by the charity which the donor has instructed be used for a specific purpose are held in restricted funds. From time to time the Trustees decide that certain other funds be used for specific purposes. These are known as designated funds and are transferred from general funds.

Expenditure which meets the criteria laid down for restricted or designated funds are disclosed within the Statement of Financial Activities under the appropriate category of fund.

General funds are unrestricted funds used for the normal activities of the charity.

## Notes to the financial statements (*continued*)

### 1. Accounting Policies (*continued*)

#### **Contributions to staff pension funds**

The pension costs in the Statement of Financial Activities represent the amount of contributions payable to the Defined Contribution pension schemes in respect of the accounting period. The contributions made are included under charitable activities in the Statement of Financial Activities as unrestricted.

#### **Termination Payments**

These payments are in relation to redundancy or settlement payments made to staff during the year and are included under charitable activities in the Statement of Financial Activities as unrestricted.

#### **Leased Assets**

Payments made for assets held under operating leases are charged to the Statement of Financial Activities as incurred.

#### **Judgements in applying accounting policies and key sources of estimation uncertainty**

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

In preparing these financial statements, the trustees have made the following judgements:

- Determine whether leases entered into by the charitable company as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence. Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.
- Properties are held at a trustees fair value valuation with an independent valuation on a 5 year rolling basis. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.
- Recoverability of debtors includes an assessment of recent communication with local authorities and provisions based on the aging and type of debt.



## Notes to the financial statements (continued)

### 2. Net incoming resources

	2021	2020
	£	£
Net incoming resources are stated after:		
Depreciation	90,965	81,397
Operating Lease Expenditure	1,109,569	1,008,067
Auditors Remuneration - for audit services	22,800	23,264
Interest Payable on Loans	2,656	5,822

### 3. Income from donations and legacies

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Donations	11,196	30,933	42,129	46,924
Grants from trusts & organisations	-	(8,400)	(8,400)	30,239
Scottish Govt VSDF	-	23,800	23,800	25,638
<b>TOTAL 2021</b>	<b>11,196</b>	<b>46,333</b>	<b>57,529</b>	<b>102,801</b>
Total 2020	42,102	60,699	102,801	

### 4. Income from charitable activities

	Residential Care Home £	Supported Living £	Respite and Community £	2021 Total unrestricted £	2020 Total unrestricted
Local Authorities	7,148,338	5,259,949	2,001,171	14,409,457	14,237,808
Independent Living Fund	-	39,542	-	39,542	38,566
Personal Contributions	1,005,631	128,967	-	1,134,598	1,317,192
Housing Benefit	-	814,604	-	814,604	872,935
<b>Total 2021</b>	<b>8,153,969</b>	<b>6,243,062</b>	<b>2,001,171</b>	<b>16,398,201</b>	<b>16,466,501</b>
Total 2020	8,039,835	6,319,719	2,107,487	16,466,501	

## Notes to the financial statements (continued)

### 5. Investment Income

	<b>2021</b>	2020
	<b>Total</b>	Total
	<b>Unrestricted</b>	Unrestricted
	<b>£</b>	£
<b>Bank Interest</b>	<b><u>655</u></b>	<u>2,081</u>

### 6. Analysis of Unrestricted Charitable Expenditure

	Residential Care Home	Supported Living	Respite & Community	2021 Total	2020 Total
	£	£	£	£	£
Staffing Costs	5,511,078	4,630,176	1,359,814	11,501,068	11,764,266
Property Costs	751,156	531,281	126,326	1,408,763	1,425,518
Services Costs	470,004	157,736	37,124	664,865	645,243
Transport Costs	51,412	11,042	40,787	103,240	148,941
Administration Costs	133,806	117,862	54,554	306,223	448,620
Support Costs	1,128,707	925,870	286,160	2,340,737	2,295,440
<b>Total 2021</b>	<b><u>8,046,163</u></b>	<b><u>6,373,967</u></b>	<b><u>1,904,765</u></b>	<b><u>16,324,896</u></b>	<u>16,728,028</u>
Total 2020	<u>8,277,536</u>	<u>6,468,774</u>	<u>1,981,718</u>	<u>16,728,028</u>	

The split of expenditure for 2020 was £16,681,724 unrestricted and £47,282 restricted

## Notes to the financial statements (continued)

### 7. Analysis of Support Costs

Support costs are apportioned across charitable activities on the basis of the amounts recoverable within the contracts for each service.

	Residential Care Home	Supported Living	Respite & Community	2021 Total	2020 Total
	£	£	£	£	£
<b>Support Costs</b>					
Training	52,411	42,297	13,357	108,065	177,397
HQ Costs	1,076,296	883,573	272,803	2,232,672	2,118,043
	<b>1,128,707</b>	<b>925,870</b>	<b>286,160</b>	<b>2,340,737</b>	2,295,440
Total 2020	1,133,554	887,215	274,671	2,295,440	

### 8. Governance costs

Included with Support costs are the following costs relating to Governance;

	2021	2020
	£	£
Salaries & Expenses	164,285	150,142
Recruitment of Trustees	9,120	-
Audit Fees	22,800	25,008
Training & Board Training	4,157	1,428
Insurance	9,021	1,680
Legal Fees	44,804	30,979
Memberships	3,686	4,964
Printing & Postage	790	1,684
	<b>258,663</b>	215,885

## Notes to the financial statements (continued)

### 9. Employment Cost

	2021 £	2020 £
Salaries & Wages	11,908,155	12,076,902
Social Security Costs	837,583	849,688
Pension Costs	289,748	298,528
	<u>13,035,486</u>	<u>13,225,118</u>

The emoluments of higher paid employees fell within the following ranges

	2021 Number	2020 Number
£100,001 - £110,000	1	1
£80,001 - £90,000		1
£70,001 - £80,000	2	
£60,001 - £70,000		1

The average number of people employed by The Mungo Foundation was

	2021	2020
Operational Staff in Projects	585	630
Management & Admin	40	36
	<u>625</u>	<u>666</u>

Termination payments of £122,546 (2020; £132,127) were paid in 2020/21, including £nil (2020; £54,387) redundancy, £104,800 (2020; £27,895) ex gratia payments and £17,746 (2020; £49,755) Payments In Lieu Of Notice.

#### Key Management Personnel

The key management personnel of The Mungo Foundation comprise the Chief Executive, Director of Corporate Services, Director of Operations and Finance Director. The total employee benefits of the key management personnel were £307,172 (2020 £258,275)

#### Remuneration of Trustees

The Trustees of the Mungo Foundation receive no remuneration for their services as Trustees. Trustees of The Mungo Foundation received reimbursement of expenses of £90 (2020 £nil) in the year. During the year, insurance was purchased which indemnifies the Trustees against certain liabilities they may incur in respect of their role as Trustees of the charity.

## Notes to the financial statements (continued)

### 10. Fixed Assets

	Leasehold Properties £	Freehold Properties £	Vehicles £	Computer Equipment £	Furniture & Equipment £	Total £
<b>Valuation or Cost</b>						
<b>Balance at Start of Year</b>	900,000	340,000	31,824	377,926	163,625	1,813,375
Additions	-	-	20,672	42,602	5,157	68,431
<b>at 31/03/2021</b>	<b>900,000</b>	<b>340,000</b>	<b>52,496</b>	<b>420,528</b>	<b>168,782</b>	<b>1,881,806</b>
<b>Depreciation</b>						
Balance at start of year	55,096	34,794	31,824	329,787	155,340	606,841
Charge for Period	18,366	13,600	6,891	42,847	9,261	90,965
<b>At 31/03/21</b>	<b>73,462</b>	<b>48,394</b>	<b>38,715</b>	<b>372,634</b>	<b>164,601</b>	<b>697,806</b>
<b>Net Book Value</b>						
<b>At 31 March 2021</b>	<b>826,538</b>	<b>291,606</b>	<b>13,781</b>	<b>47,894</b>	<b>4,181</b>	<b>1,184,000</b>
at 31 March 2020	844,904	305,206	-	48,139	8,285	1,206,534

Land and Buildings are revalued on a 5-year rolling basis by a professional valuer with an annual review by the trustees. The Foundation appointed GVA, chartered surveyors, to perform valuations of Land and Buildings held as at the 31 March 2017. The valuations provided were based on the on the contents of the RICS Valuations – Global Standards 2017.

#### Leasehold Properties

Leasehold properties relate to a care home situated at 10 Bayfield Terrace. The fair value was assessed based on operational use. In arriving at the opinion of value it was assumed that, given the special relationship between The Mungo Foundation and the Archdiocese of Glasgow, the existing ground lease which expires on 5 October 2036 would be readily extended on similar terms and conditions for a minimum of 30 years. The property was valued at fair market value of £900,000 with a remaining economic life of 49 years.

	<b>Leasehold Property 2021 £</b>	<b>Freehold Property 2021 £</b>	<b>Leasehold Property 2020 £</b>	<b>Freehold Property 2020 £</b>
Cost	<b>1,786,071</b>	<b>250,000</b>	1,786,071	250,000
Depreciation	<b>(500,099)</b>	<b>(50,000)</b>	(464,378)	(40,000)
	<b>1,285,972</b>	<b>200,000</b>	1,321,693	210,000

## Notes to the financial statements (*continued*)

### 11. Debtors

	2021 £	2020 £
Trade Debtors	1,477,486	1,104,094
Prepayments and Accrued Income	743,260	188,092
Other Debtors	17,161	85,717
	<u>2,237,907</u>	<u>1,377,903</u>

### 12. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade Creditors	179,825	199,390
Accruals	528,449	304,462
Deferred Income - note 14	97,977	32,655
Other Taxes and Social Security	277,997	197,734
Pensions	88,760	88,037
Other Creditors	247,763	68,743
Covid Business Interruption Loans	48,466	-
Term Loan	94,452	90,809
Archdiocese of Glasgow Loan	25,000	25,000
	<u>1,588,689</u>	<u>1,006,830</u>

A bond and floating charge was granted as security for a term loan to finance the construction of a 30 bed care facility. The loan is repayable over 20 years with interest charged at a rate of 1% above base.

The Archdiocese of Glasgow sold the properties in Aursbridge Drive to The Mungo Foundation in July 2015 for £250,000. The Archdiocese of Glasgow loan is interest free and is repayable over 10 years.

A loan of £250,00 was granted from the Third Sector Resilience Fund in November 2020. The loan is repayable over 4 years with zero rate of interest.

A loan of £250,000 was granted from Social Investment Business FM Limited under the Coronavirus Business Interruption Loan Scheme in October 2020. The loan is repayable over 5 years with interest at a fixed rate of 7% commencing in October 2021.

## Notes to the financial statements (continued)

### 13. Creditors: amounts falling due after more than one year

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Term Loan	96,044	191,483
Other Loans	451,534	-
Archdiocese of Glasgow Loan	81,250	106,250
	<u>628,828</u>	<u>297,733</u>
	<u><u>628,828</u></u>	<u><u>297,733</u></u>
Due 2-5 Years	177,294	291,483
Due Over 5 Years	451,534	6,250
	<u>628,828</u>	<u>297,733</u>
	<u><u>628,828</u></u>	<u><u>297,733</u></u>

### 14. Deferred Income

Deferred income comprises receipts that the company is not contractually entitled to recognise at the balance sheet date for services to be provided. Deferred surpluses are surpluses generated on contracts that may have to be refunded under the terms of the contracts.

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Balance as 1st April	<b>32,655</b>	10,699
Released in Year	<b>(1,314,323)</b>	(1,878,377)
Deferred in Year	<b>1,379,645</b>	1,900,333
	<u>97,977</u>	<u>32,655</u>
Balance as at 31st March	<u><u>97,977</u></u>	<u><u>32,655</u></u>

## Notes to the financial statements (continued)

### 15. Analysis of Funds

	Balance at 31/03/20 £	Income £	Expenditure £	Other Recognised Gains/Losses	Transfer between funds £	Balance at 31/03/21 £
<u>Unrestricted Funds</u>						
General Funds	1,797,363	16,410,052	16,325,080	750	11,469	<b>1,894,554</b>
Revaluation Reserve	385,217	-	-	-	(8,331)	<b>376,886</b>
	<b>2,182,580</b>	<b>16,410,052</b>	<b>16,325,080</b>	<b>750</b>	<b>3,138</b>	<b>2,271,440</b>
<u>Restricted Funds</u>						
VSDF	-	23,800	23,950	-	150	-
Children in Need	14,346	-	700	-	-	<b>13,646</b>
Glasgow Row Club	313	-	313	-	-	-
NHS GG Sharp Fund	361	-	361	-	-	-
Culture & Sport HWS	696	-	696	-	-	-
Life Changes Trust	15,956	(10,000)	-	-	(5,956)	-
Buttle Grant De Paul	904	-	-	-	-	<b>904</b>
Staying Connected	-	1,600	605	-	-	<b>995</b>
Autism Grant	4,080	-	-	-	-	<b>4,080</b>
Project Funds	4,862	30,933	9,755	-	2,668	<b>28,708</b>
	<b>41,518</b>	<b>46,333</b>	<b>36,380</b>	<b>-</b>	<b>(3,138)</b>	<b>48,333</b>
Total Funds	<b>2,224,098</b>	<b>16,456,385</b>	<b>16,361,460</b>	<b>750</b>	<b>-</b>	<b>2,319,773</b>

	Balance at 31/03/19 £	Income £	Expenditure £	Transfer between funds £	Balance at 31/03/20 £
<u>Unrestricted Funds</u>					
General Funds	1,966,164	16,510,684	16,681,724	2,239	1,797,363
Revaluation Reserve	393,548	-	-	(8,331)	385,217
	<b>2,359,712</b>	<b>16,510,684</b>	<b>16,681,724</b>	<b>(6,092)</b>	<b>2,182,580</b>
<u>Restricted Funds</u>					
VSDF	-	25,637	31,729	6,092	-
Children in Need	8,707	10,000	4,361	-	14,346
Glasgow Row Club	313	-	-	-	313
NHS GG Sharp Fund	1,759	-	1,398	-	361
Culture & Sport HWS	768	-	72	-	696
Life Changes Trust	5,956	10,000	-	-	15,956
Buttle Grant De Paul	426	478	-	-	904
Autism Grant	4,080	-	-	-	4,080
Project Funds	-	14,584	9,722	-	4,862
	<b>22,009</b>	<b>60,699</b>	<b>47,282</b>	<b>6,092</b>	<b>41,518</b>
Total Funds	<b>2,381,721</b>	<b>16,571,383</b>	<b>16,729,006</b>	<b>-</b>	<b>2,224,098</b>



## Notes to the financial statements (*continued*)

### 15. Analysis of Funds

#### **Purpose of Unrestricted Funds**

**General Funds:** represent funds generated that are free of any restrictions for use in the pursuit of charitable activities.

**Revaluation reserves:** represents the revaluation of the Land and Buildings held by The Mungo Foundations. These revaluations are performed in accordance with current accounting guidance and standards.

#### **Purpose of Restricted Funds**

**Transport Fund** represents funds for vehicle lease costs.

**Voluntary Sector Development Fund:** represents funds received for training.

**Children in Need** – Funding to provide weekly activities such as speedboating, horse riding and tubing for 46 children and young people with learning disabilities in North Ayrshire. Participants will have increased confidence, learn new skills, develop new friendships and have fun.

**Glasgow row group** represents funds for the cost of activities at SGADRH.

**NHS GG Sharp Fund** – represents funds received for South Glasgow substance users to support them with meaningful activities as part of their recovery.

**Culture & sport HWS** – Funds received from the Homeless World Cup towards the upgrade of the kitchen at Cothrom Eile

**Life Changes Fund** – To develop and deliver a programme of activities for people living with dementia at Bankhall Care Home in Glasgow. The negative income of £10,000 represents a correction to income which had been double counted. The transfer represents salary costs incurred over the two years of the grant.

**Buttle Grant De Paul** – represents funds to provide access to social interaction activities

**Buttle Grant Stravaig**– represents funds to provide access to social interaction activities

**Test for change** – represents funds towards the cost of BSL training at SGADRH

**Autism Grant:** represents fund received to deliver improved services for people with autism and their families.

**Project Funds** – Small donations towards projects at individual services.

## Notes to the financial statements (continued)

### 16. Analysis of Net Assets Between Funds

Year Ended 31 March 2021	Unrestricted	Restricted	Total
	Funds	Funds	
	£	£	£
Tangible Fixed Assets	1,170,219	13,781	1,184,000
Cash at Bank and in Hand	1,080,831	34,552	1,115,383
Other Net Assets	649,218	-	649,218
Creditors more than one year	(628,828)	-	(628,828)
	<u>2,271,440</u>	<u>48,333</u>	<u>2,319,773</u>

### Year ended 31 March 2020

Tangible Fixed Assets	1,206,534	-	1,206,534
Cash at Bank and in Hand	902,706	41,518	944,224
Other Net Assets	371,073	-	371,073
Creditors more than one year	(297,733)	-	(297,733)
	<u>2,182,580</u>	<u>41,518</u>	<u>2,224,098</u>

### 17. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2021	2020
	£	£
Operating Surplus/(Deficit)	94,925	(157,623)
Interest Paid	2,656	5,822
Interest Received	(656)	(2,081)
Depreciation Charges	90,965	89,727
(Increase)/Decrease in debtors	(859,254)	380,282
increase/(Decrease) in creditors	533,393	114,506
Proceeds from Sale of Fixed Assets	(750)	
	<u>(138,721)</u>	<u>430,633</u>

### Analysis of Changes in Net Debt

	At start of year	Cash-flows	At end of year
	£	£	£
Cash	944,224	171,159	1,115,383
Net Cash Inflow from Loans	(413,542)	(379,560)	(793,102)
	<u>530,682</u>	<u>(208,401)</u>	<u>322,281</u>

## Notes to the financial statements (continued)

### 18. Pensions

The Mungo Foundation operates a number of defined contribution pension schemes for the benefit of certain employees. The assets of the schemes are administered by Trustees in funds independent from those of The Mungo Foundation. Contributions in the year amounted to £289,748 (2020: £298,528). At the year end contributions of £88,760 (2020; £88,037) were outstanding.

### 19. Leasing Commitments

The charity had total commitments under non-cancellable operating leases as detailed below:

	<b>2021</b>	2020
	<b>£</b>	£
Within One Year	<b>417,716</b>	456,315
Within two and five years	<b>429,816</b>	560,796
After more than five years	-	215,225
	<u><b>847,531</b></u>	<u>1,232,337</u>

## Notes to the financial statements (*continued*)

### 20. Financial instruments

	2021	2020
	£	£
<b>Carrying amount of financial assets</b>		
Measured at fair value	<b>1,118,144</b>	1,150,110

Assets carried at fair value represent land and buildings and leasehold properties.

### 21. Related Parties

Until 26<sup>th</sup> June 2020, The Mungo foundation was controlled by the Archdiocese of Glasgow, which is registered in Scotland (registered charity number SC018140). At the balance sheet date last year, there were loans from the Archdiocese of £131,250. During the period of control, a loan repayment of £6,250 was made (2020: £25,000 in the year). During the period of control, lease rental payments of £2,227 (2020: £8,908 in the year) were made for the rental of a property from the Archdiocese of Glasgow.

£90 (2020: £nil) was paid to Cathy Fallon who is the Chairperson of the company. This was for expenses incurred by her as part of her duties for the company.

### 22. Controlling Party

The charity is controlled by its Board of Trustees.