

Company number SC129392
Charity number SC017954

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

BROWN, SCOTT & MAIN

Chartered Accountants and Statutory Auditor

**LOTHIAN CENTRE FOR INCLUSIVE LIVING
REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2018**

CONTENTS	<u>Pages</u>
Company information	2
Report of the directors	3 – 11
Independent auditors' report	12 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 25

LOTHIAN CENTRE FOR INCLUSIVE LIVING

COMPANY INFORMATION

CONVENOR

Jeff Adamson

OTHER DIRECTORS

Liz Pearston
Louise Doctor
John Ballantine
David Brown
Elizabeth Adamson
Dugald McArthur
Balkishan Agrawal – co-opted April 2017

CHIEF EXECUTIVE

Florence Garabedian

TREASURER

Liz Pearston

REGISTERED OFFICE

Norton Park Centre
57 Albion Road
Edinburgh

AUDITORS

Brown, Scott & Main
91 West Savile Terrace
Edinburgh

BANKERS

Clydesdale Bank PLC
Edinburgh

Co-operative Bank
Manchester

COMPANY NUMBER

SC129392

CHARITY NUMBER

SC017954

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS

The directors present the audited financial statements for the year ended 31 March 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Lothian Centre for Inclusive Living (LCiL) is a charitable company, limited by guarantee without a share capital, which was incorporated on 17 January 1991. LCiL is recognised as a charity by HM Revenue and Customs and by the Office of the Scottish Charity Regulator. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up the liability of each member is restricted to £1.

Organisational Structure

The directors of LCiL set the overall policy and strategic direction of the organisation. The directors hold regular 6 weekly board meetings which the Chief Executive attends in the capacity of Company Secretary, which role attaches no voting rights.

Day to day responsibility for the provision of services and implementation of the organisation's business plan is delegated by the Board to the charity's Chief Executive.

Remuneration levels for senior management and all other employees of the charity are set in accordance with national annual Scottish Joint Council salary scales.

Appointment of Directors

The directors of the company are also charity trustees for the purposes of charity law. The LCiL Board can have a maximum of 12 directors and a minimum of 6. As a user-led disability organisation, at least 51% of the directors must be disabled people and the Convenor must always be a disabled person. In this way, the Board ensures that the needs of its service-users are appropriately reflected through the diversity of the directors.

Any member who wishes to be considered for appointment as a director by means of ordinary resolution at an Annual General Meeting (AGM) must first lodge a written notice with the organisation of their intention. The application must be signed by the two members, who serve as proposer and nominator, and must also contain a statement as to whether or not the proposed member identifies as a disabled person. Alternatively, a member may be co-opted by the directors at any time, subject to ratification at the subsequent AGM.

The directors strive to bring appropriate knowledge and experience of and to LCiL's services, and further business and strategic skills to the LCiL Board through appointments of new directors. The skills and experience of the Board are kept under review by means of annual training needs analysis and mapping of existing knowledge. If a gap in any specific area develops, individuals with relevant skills and experience are invited to join the Board of Directors on a co-opted basis.

Recruitment, Induction and Training of Directors

LCiL has a targeted recruitment process which, as mentioned above, actively recruits directors to match any identified skills gaps. The recruitment process for directors includes a written application from the nominee detailing their experience, skills and knowledge of the organisation's values and services. Declaration of Eligibility and Declaration of Interest forms must also be completed and submitted to existing Board members who will assess whether the details given indicate a good 'match' for the organisation and requirements of the Board. All new directors receive induction and training on LCiL's services and on their roles and responsibilities as board members. This induction process is consolidated by the Directors' handbook which comprises; Director's job description, staff job descriptions, financial information, policies and procedures, organisation chart and such other items as the history of LCiL, the independent living philosophy and the Social Model of Disability. The induction is planned jointly by the Chief Executive and Convenor.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Every two or three years LCiL holds an event involving both staff members and directors to collaborate on and plan the strategic direction of the organisation. Such events foster improved communication and allow directors the opportunity to get to know their key resource – the staff team. In addition to this, members of the Board attend some of the staff meetings.

New directors have a ‘settling in’ period which involves their attendance at three consecutive Board meetings, during which time references and PVG Scheme membership will be sought. At the end of this period a review process is carried out by existing Board members to ascertain the suitability of the new director and provide a forum for feedback from both parties.

Risk Management

It is important to recognise that LCiL operates in an ever changing and increasingly competitive external environment.

The most significant risk faced by LCiL remains financial uncertainty. LCiL closely monitors its services, any changes in demand or unusual trends, and regularly reviews its options longer term. Future commissioning and procuring activities by the four Lothian councils are not clear. To address this LCiL is trying to maintain good and transparent relationships with local authorities and provides regular and reliable information about service delivery and service users feedback on services received. However, the third round of the Support in the Right Direction (SiRD) Programme funding from the Scottish Government, starting in October 2018 provides a great opportunity to strengthen the resources for capacity building and peer support activities in the organisation.

LCiL continues to be exposed to potential risk from holding substantial cash at bank. This risk is partly countered by operating accounts at two banks and by the Financial Services Compensation Scheme.

Finally, at an operational and practical level, staff and visitors’ exposure to risk is minimised by stringent application of Health and Safety and Lone Working good practices.

All of LCiL’s policies are regularly reviewed to ensure that they are up to date, correctly implemented and monitored.

In these ways the Directors can ensure that systems are in place to mitigate LCiL’s exposure to main risks.

LCiL’s Chief Executive regularly produces risk analyses for the Board of Directors, highlighting such factors as;

- Project funding timescales, in particular the relevant exit strategies
- Any unexpected increases in overheads
- Any internal issue which may result in formal action against the organisation
- Any complaints or potential complaints from service-users and stakeholders
- Any significant external policy or legislative changes

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

OBJECTIVES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

Purpose and principal activity

LCiL works with disabled people to take control of their own lives, support their choice to take up their rights and enable their full participation in society.

To this end the aims of LCIl are:

- To provide a range of services to support independent living, developed and managed by and for disabled people
- To support the right of disabled people to live independently and take control of their own lives
- To provide the opportunity for disabled people to further their own personal and professional development
- To promote the social inclusion and individual choice of disabled people
- To challenge the attitudes, and the physical and social barriers that create disability

The Objectives of the organisation are:

- To provide information, support and training to disabled people to enable them to set up their own independent living packages
- To provide a payroll service for disabled people who employ their own support staff
- To provide an accurate, up to date and accessible disability information service

Review of the year - strategy

Independent Living remains at the heart of everything LCIl does and the three fundamental aims of the 2016-18 strategic framework enable LCIl to work toward it, focusing activity on the organisation's overall aims and objectives.

1. LCIl is a well-resourced organisation with capacity to expand

In 2017-18, facing increasing demand across its services, LCIl continued to use its flexible, realistic and transparent service costings to sustain a balanced budget. LCIl aims to achieve full cost recovery funding from LAs and costs its services, hourly rates and unit costs accordingly when discussing future service level agreements.

LCiL continued to develop and deliver/facilitate tailored training courses for other voluntary and private sector organisations as a means of bolstering its earned income potential.

The continued Support in the Right Direction (SiRD) Scottish Government grant enabled LCIl to run the SDS Development Programme (second round of 3 year funding), aiming at responding pro-actively and effectively to the changes, challenges and opportunities brought by the SDS Act and the local implementation of SDS strategies. This grant also provides funding for the Champions and the Peer Support Programmes.

LCiL continues to apply to trusts, foundations and take up any other funding opportunities on an ongoing basis. In 2017-18 LCIl raised funds from 19 corporates, trusts and foundations, having submitted 138 applications. Funders are the Pettigrew Charitable Trust, RBS HR Organisation and Performance, the Hugh Fraser Foundation, the JTH Charitable Trust, The Queensberry House Trust, The CRH Trust, the Lady Marian Gibson Trust, the John Wilson Robert Christie Bequest Fund, the Saints and Sinners Club of Scotland, the Garfield Weston Foundation, the Cruden Foundation, Waitrose Community Matters, the ASDA Foundation, the Souter Charitable Trust, the Kuenssberg Charitable Foundation, The Haemophilia Academy, The Lynn Foundation, Sainsburys and the Ward Family Charitable Trust.

It is very clear, however, that raising funds, a time consuming operation, is becoming increasingly difficult and brings fewer rewards as a result of shrinking resources and increased competition.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

2. LCiL develops, sets, maintains standards of excellence to provide first class one-stop-shop services

During the year LCiL produced its Service Users' satisfaction survey (every two years). With outstanding satisfaction rates the organisation can be confident that it maintains its standards of excellence. e.g. 95% of the people surveyed said that they agree or strongly agree with the statement 'I value the work of LCiL and would recommend the organisation to others'. 94% also said that they agreed or strongly agreed that it was important to them that LCiL remains a one-stop shop (provides all services as one organisation). We are not, however, complacent and monitor on an ongoing basis how well we respond to people's demand and expectations. Working toward excellence, services are also continuously reviewing their policies and practice, sharing information and experience with other teams and members of staff so that learning and knowledge is spread across the whole organisation

In April 2017 the Grapevine service was accredited by Scottish Government the National Standard for Information and Advice providers – Tier 1.

In March 2018, starting with a very well attended event, LCiL engaged with its users to further their input and help shape the future organisation strategic framework. The strategic directions for the organisation will be fully communicated in the Autumn 2018.

LCiL continues to offer factsheets and publications available to download free from its website. Recognising the role of social media in supporting communication and information LCiL continues to post messages and information through Facebook and twitter with an increasing number of followers.

3. In line with its values, LCiL is a modern and innovative organisation which leads on the future of Independent Living, through SDS and capacity building, and working in partnership with other organisations.

LCiL continues to be involved in significant national developments and is recognised in its field. Through its CEO the organisation actively contributed to the Audit Scotland report on SDS and the Social Work Scotland report on good SDS practice. It was actively involved in the development of a national monitoring and evaluating framework for SDS. It was called as an expert to input in the Scottish Government service design workshop and to meet with the Incapacity Team regarding safeguarding legislation.

LCiL was also asked to contribute to a research piece on PA work led by Strathclyde University due to its unique knowledge in the field.

Locally the organisation is also actively sought by other voluntary organisations or statutory bodies to be involved in ad hoc or ongoing policy developments. As such it takes a very collaborative approach to its work and is able to develop and maintain useful relationships and partnerships

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Review of the year by services

The Independent Living Service (ILS)

An information and support service for people considering setting up and managing their own independent living packages. The Independent Living Team offers one to one advice at whatever stage an individual has reached on their journey towards Independent Living. The support continues, as required, on an ongoing basis after the SDS options have been set up.

The type of Independent Living support LCiL provides covers a wide range of issues and assists disabled people to make informed choices about what Independent Living means for them. Some of the practical aspects of support include:

- identifying individual support needs
- looking at possible sources of funding for an individual care package
- writing job adverts, job descriptions, terms and conditions
- recruitment of Personal Assistants
- advising on managing staff, compliance with employment legislation
- liaising with local authority departments and other appropriate organisations
- adopting safe recruitment procedures
- assisting with set up and delivery of financial management support service
- identifying areas of wider need and referring to appropriate services within the organisation as appropriate, e.g. Grapevine, Living and Work Choices, Peer Support groups

In 2017-2018 the ILS supported a total of 645 people (6 less than last year) on a one to one basis

Area	Supported Service Users	No of New Referrals
Midlothian	70	21
West Lothian	135	35
East Lothian	112	39
Edinburgh	328	81
TOTAL	645	176

- ILS worked with a number of organisations in different ways
- Representation on Forward Mid, Joint Physical Disability Planning Group, ELC SDS Implementation Group, Vocal.

The Training service

Having secured funding from Scottish Government (Innovation Fund) and the Robertson Trust for three year (2015-18) the Training Service continued to provide a variety of courses relevant to Independent Living, enabling a positive learning experience, facilitating the development of new skills, widening opportunities for disabled people to increase self-confidence, peer support and to expand their existing knowledge of Independent Living.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

SDS Development Programme - Capacity building workshops and peer support groups

Parents and Carers

45 people were involved in at least one of the 13 parent and carer peer support group meeting (average of 5 people per session) during the year. A minimum of 40 Disabled people/people with long term conditions were involved in at least one of the 41 peer support and workshop sessions for disabled people and people with long term condition (average of 7 people per session), incl. the three workshops designed in the previous period: Know Your Rights; Assertive Communication, and; Have You Tried God, or Snake Venom? (aimed at giving people strategies for dealing with inappropriate or 'helpful' comments about their impairment or condition).

Many of the people who come to workshops or peer support groups are referred from or to other parts of LCiL, meaning that as an organisation we are able to give an even more person-centred response to people's needs.

The Champions Programme

Using funding from Scottish Government SDS Development programme (the project co-ordinator is the SDS programme co-ordinator), the project continued to support a group of seven disabled people, people with long-term conditions and carers to work as Champions, promoting understanding of Independent Living and SDS, and raising the profile of LCiL and Disabled People's Organisations.

A larger group of people, including professionals, were also impacted by the programme through information sessions, conferences organised in partnership with other organisations, working groups and Champions input in a variety of activities.

The Payroll Service

LCiL offers a comprehensive, computerised payroll service for personal assistant employers which also provides a link with the HMRC and operates as a helpline for disabled employers.

A total of 702 disabled employers made use of the payroll service (compared with 687 last year). Of these 702 service users 199 of them also access the Financial Management Service (compared with 168 last year). The following table gives a breakdown by Local Authority

	Total SUs	Payroll SUs only	FMS SUs (pay Roll)	Non Payroll SUs	New payroll SUs	New FMS SUs	Ceased payroll	Ceased FMS	No of pay slips	No of PAs (at one point in year)
Midlothian	102	78	22	2	14	0	10	3	1,964	157
West Lothian	132	97	34	1	16	3	6	1	2,444	206
East Lothian	97	66	30	1	22	6	4	0	1,712	103
Edinburgh	371	262	88	21	45	13	17	10	7,338	575
Total	702	503	174	25	97	22	37	14	13,458	

The roll out of Pension Auto Enrolment to payroll service users gathered significant pace over the course of the year.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Disability Information and Advice Service - Grapevine

The LCiL Grapevine Information and Advice service continued to have a strong year in 2017 – 2018.

- It supported 561 people in Edinburgh through 747 contacts and 1267 enquiries.
- The service made 98 referrals to other organisations.
- 41 people supported by Grapevine regarding benefit claims were successful in collectively gaining £165,412 per year or an average of £4,034 individually.

In April 2017 the Grapevine service was accredited by Scottish Government the National Standard for Information and Advice providers – Tier 1.

FINANCIAL REVIEW

Against the background of no increased core funding, ongoing increased demand for services and rising overhead costs, the funding renewed for 3 years (2015- 2018) by Scottish Government to implement a programme of work to ensure that LCiL is fit for purpose in relation to SDS is temporarily alleviating LCiL's struggle to develop and deliver safe and effective services. LCiL's Directors, continue their sound financial control while the management team continues to operate stringent and transparent accounting practices in an increasingly competitive voluntary sector.

At 31 March 2018 the charity's reserves were £385,736 (2017 £328,130) comprising an accumulated surplus on unrestricted funds of £368,416 (2017 £312,269) and an accumulated surplus on restricted funds of £17,320 (2017 £15,861). The financial statements have been prepared on the going concern basis. The directors consider that this is appropriate as the charity meets its day to day working capital requirements as they fall due and expects to be able to continue to do so.

Principal Funding Sources – 2017/18

The City of Edinburgh Council remains the most significant funder for LCiL's core services (i.e. Independent Living and the Grapevine – Disability Information Service). East, West and Midlothian Councils have awarded 1 year funding again to the Independent Living Service.

In Edinburgh the Independent Living Service and Grapevine were funded by the new contract awarded by City of Edinburgh Council as the result of a successful tender in 2016. From April 2017 the payroll service no longer received funding from the local authority for this service. Existing and new service users are required to purchase their payroll service directly from a payroll provider of their choice under a new framework. East Lothian and Midlothian provided full funding to DP recipients who then purchased payroll support directly from LCiL. West Lothian DP Recipients commenced direct purchase of payroll support from 1st April 2017.

Restricted Funds

- ◆ BIG – The residual balance of £3,419 carried forward at end of Living and Work Choices project at March 2017 has been transferred to LCiL central costs as agreed with BIG on termination of the project.
- ◆ EVOC Change Fund – this continuing funding stream was again fully spent on supporting older people to increase their uptake of SDS.
- ◆ Inclusion Scotland – Funds received to support a group of disabled people to stand for election in local council. Small residual balance transferred to LCiL core costs with agreement of Inclusion Scotland.
- ◆ Garfield Weston – funds received to produce an Impact Report on the work of LCiL. Research began in 2017-18 year but actual expenditure carried forward into 2018-19.
- ◆ Grapevine extension to 5 days per week – Funds carried forward from Maple Trust, and funds received from Rotary Club, Ryovan Trust were fully spent in 2017-18. A small residue of funds from Castansa Trust are carried forward into 2018-19 to maintain the 5 day per week service for Grapevine.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

- ◆ SG Support in the Right Direction – third year funding of this project from Scottish Government was used to continue the provision of training, development and support for disabled people, people with long term conditions and parents and carers. A further 6 month extension of this programme was granted until end September 2018.
- ◆ SG Innovation Fund – third year funding of this project from Scottish Government was used to continue the employment of a Training Officer to deliver a range of Pick’n’Mix courses to disabled people. The cost of these courses was again funded by the Robertson Trust (separate restricted fund). A further 6 month extension of this programme, covering staff costs, was granted until end September 2018.
- ◆ Workers Educational Association Scotland made a contribution toward the cost of delivering a Training for Personal Assistants course. These funds were fully spent in the year.
- ◆ NHS COPD – a further 1 year contract was awarded by NHS Lothian to continue provision of home visits to isolated individuals with chronic obstructive pulmonary disease.
- ◆ Agnes Hunter funds carried forward from previous year were spent extending the home visiting advice and information service to individuals with COPD. This ongoing work also received funding from Queensberry House Trust which is deferred to 2018-19.
- ◆ Both CRH Trust and John Wilson Robert Christie Bequest Fund awarded funds towards Peer Support. Peer Support is inherent in the overall work of LCIL. Funds awarded by these trusts were fully spent within the expenditure of the Independent Living Services supporting disabled people, people with long term conditions to set up and sustain their packages of support.

The Directors and senior management continue to prepare for further changes in service procurement and commissioning which may change the way in which LCiL negotiates its funding from the public sector.

Reserves Policy

The Directors aim at securing financial reserves, although these should not exceed 3 month staff salaries. Clearly the on-going and future financial insecurity means that LCIL is even more stringent in monitoring its spending, ensures full cost recovery basis is applied to all future funding applications, SLAs etc., and endeavours wherever possible to maximise earned income opportunities in an effort to rebuild its unrestricted reserves.

PLANS FOR THE FUTURE

With secured funding from the Scottish Government LCiL will continue to implement its SDS Development Programme for another year. Core service activities outlined above will also continue to be delivered subject to sufficient funding. The organisation shall continue to look at methods of providing sustainable funding for all its services and progress the social enterprise methodology with a view to ultimately delivering services which members and service users themselves identify a need for, rather than those judged necessary/suitable by funders.

The fundamental aim of the organisation is to continue to provide the services which our changing membership requires to enable them to live independently in the community of their choice.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 and for the maintenance and integrity of financial information included on the company's website.

DIRECTORS

The directors are the charity's trustees for the purpose of charity law. The directors of the company during the year were as follows:

Jeff Adamson	Convenor
Liz Pearston	Treasurer
Louise Doctor	
Robert MacPherson	died 31 December 2017
John Ballantine	
David Brown	
Elizabeth Adamson	
Dugald McArthur	

Balkishan Agrawal was co-opted in April 2017.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

TANGIBLE FIXED ASSETS

Additions to tangible fixed assets during the year ended 31 March 2018 are disclosed in note 6 to the financial statements. All are employed for direct charitable purposes.

DIRECTORS' INSURANCE

Professional indemnity insurance held by the company, which includes cover for directors, was in force during the year ended 31 March 2018 and is in force now.

BASIS OF PREPARATION

This report has been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 and in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



E L PEARSTON, DIRECTOR
18 December 2018

LOTHIAN CENTRE FOR INCLUSIVE LIVING

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS (AS TRUSTEES) AND MEMBERS OF LOTHIAN CENTRE FOR INCLUSIVE LIVING

Opinion

We have audited the financial statements of Lothian Centre for Inclusive Living (the 'charitable company') for the year ended 31 March 2018 which comprise a 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 2018 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' (who are also the 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 not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS (AS TRUSTEES) AND MEMBERS OF LOTHIAN CENTRE FOR INCLUSIVE LIVING (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the trustees' annual 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 directors' report, included within the trustees' annual report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report, included within the trustee' annual report, and from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed 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.

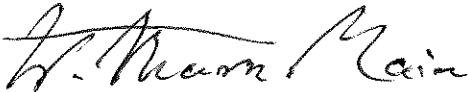
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

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. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS (AS TRUSTEES) AND MEMBERS OF LOTHIAN CENTRE FOR INCLUSIVE LIVING (CONTINUED)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



William Main CA (Senior Statutory Auditor)
for and on behalf of Brown, Scott & Main, Statutory Auditor

Brown, Scott & Main is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

91 West Savile Terrace
Edinburgh

18 December 2018

LOTHIAN CENTRE FOR INCLUSIVE LIVING

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income from:					
Donations and legacies					
Donations		<u>16,510</u>	<u>-</u>	<u>16,510</u>	<u>923</u>
Income from investments					
Bank interest		<u>207</u>	<u>-</u>	<u>207</u>	<u>157</u>
Income from charitable activities					
Grants	3	271,667	229,487	501,154	558,333
Service level agreements	3	63,666	8,855	72,521	87,050
Payroll and financial management fees		206,112	-	206,112	175,113
Consultancy fees and other income		<u>1,187</u>	<u>-</u>	<u>1,187</u>	<u>3,887</u>
		<u>542,632</u>	<u>238,342</u>	<u>780,974</u>	<u>824,383</u>
Total income		<u>559,349</u>	<u>238,342</u>	<u>797,691</u>	<u>825,463</u>
Expenditure on:					
Raising funds		11,886	-	11,886	6,312
Charitable activities		<u>495,530</u>	<u>232,669</u>	<u>728,199</u>	<u>789,641</u>
Total expenditure	5	<u>507,416</u>	<u>232,669</u>	<u>740,085</u>	<u>795,953</u>
Net income		51,933	5,673	57,606	29,510
Transfers between funds		4,214	(4,214)	-	-
Net movement in funds		56,147	1,459	57,606	29,510
Reconciliation of funds:					
Total funds brought forward	9	<u>312,269</u>	<u>15,861</u>	<u>328,130</u>	<u>298,620</u>
Total funds carried forward	9	<u>£368,416</u>	<u>£17,320</u>	<u>£385,736</u>	<u>£328,130</u>

The statement of financial activities incorporates the income and expenditure account.

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

The notes on pages 18 to 25 form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING

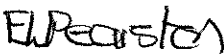
BALANCE SHEET AS AT 31 MARCH 2018

Company number SC129392

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
		£	£
Fixed assets			
Tangible assets	6	<u>6,424</u>	<u>13,216</u>
Current assets			
Debtors	7	58,470	37,432
Cash at bank and in hand		<u>380,198</u>	<u>318,342</u>
		<u>438,668</u>	<u>355,774</u>
Liabilities			
Creditors falling due within one year	8	<u>59,356</u>	<u>40,860</u>
Net current assets		<u>379,312</u>	<u>314,914</u>
Total assets less current liabilities		385,736	328,130
Creditors falling due after one year		—	—
Net assets		<u>£385,736</u>	<u>£328,130</u>
Funds of the charity:			
Unrestricted income funds	9	368,416	312,269
Restricted income funds	9	<u>17,320</u>	<u>15,861</u>
		<u>£385,736</u>	<u>£328,130</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 15 to 25 were approved by the Board of Directors on 18 December 2018 and signed on its behalf by:


E L PEARSTON
DIRECTOR


L DOCTOR
DIRECTOR

The notes on pages 18 to 25 form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	17	61,856	44,501
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(4,070)
Cash flows from financing activities:			
Repayment of borrowing		-	(37,500)
Change in cash and cash equivalents in the reporting period		61,856	2,931
Cash and cash equivalents at the beginning of the reporting period		<u>318,342</u>	<u>315,411</u>
Cash and cash equivalents at the end of the reporting period	16	<u>£380,198</u>	<u>£318,342</u>

The notes on pages 18 to 25 form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Ireland” (FRS 102), the Companies Act 2006 and “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102”. The financial statements have been prepared under the historical cost convention.

INCOME

Grant, service level agreement and donation income is recognised when all of the following criteria are met: the charity has entitlement to the funds; any performance conditions attached to the income have been met or are fully within the control of the charity; there is sufficient clarity that receipt of the income is considered probable; and the amount can be measured reliably. Income received in advance of all these criteria being met is deferred until the criteria for income recognition are met.

Payroll and financial management fee income is recognised when the income has been earned on completion of each periodic service to the client.

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest received or receivable from the charity’s bank.

All income is derived from activities within the UK. Sources of significant grants and service level agreement income are shown at note 3. The value of services provided by volunteers has not been quantified or included in these accounts.

FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are funds which the donor or funder has specified are to be solely used for particular areas of the charity’s work or for specific projects being undertaken by the charity. Further information about specific restricted funds is provided at pages 9 to 10 of the report of the directors. The charity had sixteen restricted funds during the year: BIG, EVOC Change Fund, Inclusion Scotland Access to Elected Office, Garfield Weston, Rotary Club of Edinburgh (Grapevine), Ryovan Trust (Grapevine), Castansa Trust (Grapevine), The Maple Trust (Grapevine), Scottish Government Right Direction, Scottish Government Innovation (training), Robertson Trust (training), WEA Scotland (training), NHS COPD, Agnes Hunter Trust, CRH Trust and John Wilson Robert Christie Bequest Fund.

Inter-fund transfers are made from the general unrestricted fund to restricted funds to cover any shortfall suffered on a specific restricted fund activity.

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes VAT which cannot be recovered. Expenditure is classified under the following headings:

Raising funds comprise the costs associated with promoting the services provided by the charity to existing and prospective donors and funders.

Charitable activities comprise the costs incurred by the charity to deliver services to its service users. It includes directly allocated costs that are incurred in the delivery of the charity’s services and support costs which include staff, premises, administration and finance costs incurred to enable the charity’s operations and service delivery to continue. Support costs are allocated to the charity’s activity areas using the basis considered most appropriate e.g. staff time, floor area or estimated usage. Further information about principal support costs and the bases on which support costs have been allocated is provided at note 5.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

1. ACCOUNTING POLICIES (Continued)

OPERATING LEASES

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

TANGIBLE FIXED ASSETS

Tangible fixed assets costing £100 or more are capitalised at cost. Depreciation is charged so as to write off the cost less residual value of each asset over its estimated useful life. The rate of depreciation applied to office equipment, furniture and fittings is 25% per annum on a straight line basis.

FINANCIAL INSTRUMENTS

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market value rate of interest. Financial assets classified as receivable within one year are not amortised.

Cash at bank and in hand includes cash and short term highly liquid bank accounts with a short maturity of three months or less.

Basic Financial Liabilities

Basic financial liabilities, which include creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

PENSION

The company makes contributions into a defined contribution group personal pension plan for employees. The assets of the scheme are held separately from those of the company in independently administered funds.

TAXATION

The company is registered as a Scottish charity and is exempt from corporation tax under Section 475 et seq of CTA 2010. The company is not registered for VAT and expenditure includes VAT where appropriate.

GOING CONCERN

The financial statements are prepared on the going concern basis. The directors consider this basis is appropriate as since the year end the charity has received or they expect it will receive sufficient income from donors and other funders to enable it to continue to provide services for the foreseeable future and to meet its day to day working capital and capital commitments as they fall due.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

2. NET INCOMING RESOURCES FROM ORDINARY ACTIVITIES

	2018	2017
	£	£
Net incoming resources from ordinary activities is stated after charging:		
Depreciation	6,792	8,314
Provision for diminution in value of asset under construction	-	-
Operating lease charges – land and buildings	33,389	33,389
Operating lease charges – office equipment	6,650	5,198
Interest on defined benefit pension cessation liability	-	469
Auditors' remuneration for audit services	4,750	4,500
Auditors' remuneration for non-audit services	<u>2,000</u>	<u>1,000</u>

3. GRANT AND SERVICE LEVEL AGREEMENT INCOME

	2018	2018	2018	2017	2017	2017
	Unrest- ricted	Rest- ricted	Total	Unrest- ricted	Rest- ricted	Total
	£	£	£	£	£	£
Government grants						
Scottish Government	-	179,395	179,395	-	153,783	153,783
City of Edinburgh Council	234,000	-	234,000	240,473	-	240,473
East Lothian Council	<u>32,076</u>	-	<u>32,076</u>	<u>35,384</u>	-	<u>35,384</u>
	<u>266,076</u>	<u>179,395</u>	<u>445,471</u>	<u>275,857</u>	<u>153,783</u>	<u>429,640</u>
Other grants						
EVOC Change Fund	-	11,660	11,660	-	11,660	11,660
Inclusion Scotland	-	8,532	8,532	-	-	-
Robertson Trust	-	7,500	7,500	-	7,500	7,500
Garfield Weston Foundation	-	10,000	10,000	-	-	-
Castansa Trust	-	5,000	5,000	-	-	-
Rotary Club of Edinburgh	-	1,000	1,000	-	-	-
Ryvoan Trust	-	2,000	2,000	-	-	-
J W R Christie Bequest Fund	-	2,000	2,000	-	-	-
CRH Trust	-	1,900	1,900	-	-	-
WEA Scotland	-	500	500	-	-	-
BIG Lottery Fund	-	-	-	-	87,395	87,395
Agnes Hunter Trust	-	-	-	-	9,683	9,683
Maple Trust	-	-	-	-	2,500	2,500
Cruden Foundation	-	-	-	500	-	500
Margaret Murdoch Trust	-	-	-	1,900	-	1,900
Lynn Foundation	-	-	-	500	-	500
James Miller Trust	-	-	-	250	-	250
Employment Service	<u>5,591</u>	-	<u>5,591</u>	<u>6,805</u>	-	<u>6,805</u>
	<u>5,591</u>	<u>50,092</u>	<u>55,683</u>	<u>9,955</u>	<u>118,738</u>	<u>128,693</u>
Total grants	<u>£271,667</u>	<u>£229,487</u>	<u>£501,154</u>	<u>£285,812</u>	<u>£272,521</u>	<u>£558,333</u>
Service level agreements						
West Lothian Council	36,192	-	36,192	54,192	-	54,192
Midlothian Council	27,474	-	27,474	25,063	-	25,063
NHS COPD	-	<u>8,855</u>	<u>8,855</u>	-	<u>7,795</u>	<u>7,795</u>
	<u>£63,666</u>	<u>£8,855</u>	<u>£72,521</u>	<u>£79,255</u>	<u>£7,795</u>	<u>£87,050</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Details of staff costs are as follows:		
Gross salaries	462,070	461,227
Redundancy pay	-	7,185
Employer's national insurance	37,463	36,871
Defined contribution pension scheme cost	<u>23,174</u>	<u>24,556</u>
	<u>£522,707</u>	<u>£529,839</u>

No remuneration was paid to directors during the year (2017 nil).

No individual employee received emoluments of more than £60,000. The average number of employees during the year was as follows:

	Number	Number
Management	2	2
Staff for managed projects	19	19
Administration	<u>1</u>	<u>1</u>
	<u>22</u>	<u>22</u>

During the year the company paid travel expenses totalling £200 (2017 £90) on behalf of one (2017 one) director.

Employee and employer contributions totalling £5,893 (2017 £2,952) were payable to the defined contribution scheme at the year-end.

Key management personnel comprises the Chief Executive and Operations Co-ordinator. During the year key management personnel remuneration totalled £67,903 (2017 £64,898) and employer pension contributions totalled £5,432 (2017 £5,192).

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

5. TOTAL EXPENDITURE

	RF £	<		EXPENDITURE ON CHARITABLE ACTIVITIES						>		
		ILS £	GV £	TR £	AGHU £	SGRD £	CH £	NHS £	AEO £	GO £	2017 £	
Costs directly allocated to activities												
Staff costs	11,886	260,726	40,202	14,519	5,945	90,014	8,320	5,773	701	-	438,086	463,981
Recruitment	-	22,618	1,363	899	-	1,493	-	18	-	-	26,391	13,156
Audit fee	-	-	-	-	-	-	-	-	-	-	6,750	5,500
Volunteer expenses	-	-	-	-	-	-	-	-	-	222	222	110
Service delivery costs	-	3,527	180	3,950	-	30,204	-	-	7,170	-	45,031	62,495
Transfer of web based database to GCIL	-	-	-	-	-	-	-	-	-	-	-	20,199
Payroll fees bad debts	-	-	-	-	-	-	-	-	-	-	-	333
	11,886	286,871	41,745	19,368	5,945	121,711	8,320	5,791	7,871	6,972	516,480	565,774

Support costs allocated to activities [basis of allocation]

Staff costs [staff time]	-	67,453	26,490	-	1,000	8,370	3,140	805	-	-	107,258	86,188
Premises costs [floor area; per capita]	-	25,134	4,246	1,757	-	5,272	-	334	-	-	36,743	36,930
Consultant fees and temporary staff [time]	-	7,760	378	-	-	-	-	-	-	-	8,138	45,573
Office and administration [usage; per capita]	-	42,536	7,590	1,573	417	11,511	217	400	-	13	64,257	51,325
Bank charges [usage; per capita]	-	404	13	-	-	-	-	-	-	-	417	1,380
Contribution (from)/ to projects and core activities	-	(13,099)	(2,312)	-	-	15,411	-	-	-	-	-	-
Interest on L.P.F. cessation liability [historic staff time]	-	-	-	-	-	-	-	-	-	-	-	469
Depreciation [usage; per capita]	-	5,773	1,019	-	-	-	-	-	-	-	6,792	8,314
		135,961	37,424	3,330	1,417	40,564	3,357	1,539		13	223,605	230,179
	11,886	422,832	79,169	22,698	7,362	162,275	11,677	7,330	7,871	6,985	740,085	795,953

Amounts classified above as staff costs includes employment costs of £522,707 (2017 £529,839) as disclosed at note 4 and also staff travel and training costs.

Abbreviations used in the table of total expenditure are as follows:

RF	Costs of raising funds	ILS	Independent Living Services	GV	Grapevine
TR	Training (Scottish Government Innovation & Robertson Trust)	AGHU	Agnes Hunter Trust	SGRD	Scottish Government Right Direction
CH	EVOC Change	NHS	NHS COPD	GO	Government
AEO	Inclusion Scotland Access to Elected Office				

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings and office equipment £	Total £
COST		
At 1 April 2017	68,769	68,769
Additions	-	-
Disposals	(-)	(-)
At 31 March 2018	<u>68,769</u>	<u>68,769</u>
DEPRECIATION		
At 1 April 2017	55,553	55,553
Charge for year	6,792	6,792
Disposals	(-)	(-)
At 31 March 2018	<u>62,345</u>	<u>62,345</u>
NET BOOK VALUE		
At 31 March 2018	<u>£6,424</u>	<u>£6,424</u>
At 31 March 2017	<u>£13,216</u>	<u>£13,216</u>

Tangible fixed assets comprise equipment, furniture and fittings and all are used for management and in support of direct charitable activities.

7. DEBTORS	2018	2017
Amounts falling due within one year:	£	£
Accrued income	45,424	26,240
Prepayments	<u>13,046</u>	<u>11,192</u>
	<u>£58,470</u>	<u>£37,432</u>
8. CREDITORS AND ACCRUED CHARGES		
Amounts falling due within one year:		
Payroll taxes	14,117	9,212
Accruals and deferred income	31,727	29,954
Other creditors	<u>13,512</u>	<u>1,694</u>
	<u>£59,356</u>	<u>£40,860</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

9. MOVEMENT ON FUNDS

	At 01/04/17 £	Income £	Expenditure £	Net movement £	Transfers £	At 31/03/18 £
Restricted Funds:						
BIG	3,419	-	-	-	(3,419)	-
EVOC Change Fund	-	11,660	(11,677)	(17)	17	-
Inclusion Scotland AEO	-	8,532	(7,871)	661	(661)	-
Garfield Weston	-	10,000	-	10,000	-	10,000
Rotary Club of Edinburgh (Grapevine)	-	1,000	(1,000)	-	-	-
Ryovan Trust (Grapevine)	-	2,000	(2,000)	-	-	-
Castansa Trust (Grapevine)	-	5,000	(4,057)	943	-	943
The Maple Trust (Grapevine)	2,500	-	(2,500)	-	-	-
Scottish Govt. Right Direction	1,805	165,195	(162,275)	2,920	-	4,725
Scottish Govt. Innovation (Training)	202	14,200	(14,519)	(319)	117	-
Robertson Trust (Training)	447	7,500	(7,679)	(179)	(268)	-
WEA Scotland (Training)	-	500	(500)	-	-	-
Agnes Hunter Trust	7,488	-	(7,361)	(7,361)	-	127
CRH Trust	-	1,900	(1,900)	-	-	-
J W R Christie Bequest Fund	-	2,000	(2,000)	-	-	-
NHS COPD	-	8,855	(7,330)	1,525	-	1,525
Total restricted	<u>15,861</u>	<u>238,342</u>	<u>(232,669)</u>	<u>5,673</u>	<u>(4,214)</u>	<u>17,320</u>
Unrestricted Funds:						
Undesignated funds						
General fund	<u>312,269</u>	<u>559,349</u>	<u>(507,416)</u>	<u>51,933</u>	<u>4,214</u>	<u>368,416</u>
Total undesignated	<u>312,269</u>	<u>559,349</u>	<u>(507,416)</u>	<u>51,933</u>	<u>4,214</u>	<u>368,416</u>
Total unrestricted	<u>312,269</u>	<u>559,349</u>	<u>(507,416)</u>	<u>51,933</u>	<u>4,214</u>	<u>368,416</u>
TOTAL FUNDS	<u>£328,130</u>	<u>£797,691</u>	<u>£(740,085)</u>	<u>£57,606</u>	<u>£-</u>	<u>£385,736</u>

Further information on the purpose of each restricted fund is provided at pages 9 and 10 of the report of the directors.

10. LEASE AGREEMENTS

Minimum lease payments under operating leases fall due as follows:

	2018 Land and buildings £	2018 Office equipment £	2017 Land and buildings £	2017 Office equipment £
Within one year	16,695	5,382	16,695	3,899
Between one and five years	-	18,838	-	-
After five years	-	-	-	-
	<u>£16,695</u>	<u>£24,220</u>	<u>£16,695</u>	<u>£3,899</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Assets and liabilities are analysed between the charity's funds as follows:

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Fixed assets	6,424	-	6,424	13,216
Net current assets	361,992	17,320	379,312	314,914
Creditors due after more than one year	-	-	-	-
	<u>£368,416</u>	<u>£17,320</u>	<u>£385,736</u>	<u>£328,130</u>

12. CONTINGENT LIABILITY

The company currently remains in dispute with H M Revenue & Customs as to the VAT treatment of payroll and financial management services it provides to service users in receipt of self-directed support. The directors are of the opinion this contingent VAT liability cannot be reliably quantified at present due to uncertainty.

13. ENTITY INFORMATION

Lothian Centre for Inclusive Living meets the definition of a public benefit entity under FRS 102. Lothian Centre for Inclusive Living is a private company, limited by guarantee, without a share capital and registered in Scotland. In the event of the company being wound up the liability of each member is restricted to £1. The company's registered number and registered office can be found on the company information page at page 2 of these accounts.

14. CONTROLLING PARTY

The company is limited by guarantee and is a charitable membership organisation. The directors do not consider the company to be controlled by any individual party.

15. CUSTODIAN ASSETS

During the year Lothian Centre for Inclusive Living continued to provide financial management services to individuals who require assistance managing their self-directed support budget. A separate client bank account is operated for each of these individuals. The charity's trustees are satisfied the provision of this service accords with the charity's objects. The charity's bank has confirmed that should the charity become insolvent it would not offset balances held in these client accounts against the charity's liabilities.

At 31 March 2018 these client account balances totalled £1,182,936 (2017 £1,187,510). Those client balances and the transactions on each client bank account during the year have not been included in these financial statements. Income from financial management services provided during the year ended 31 March 2018 is included in these financial statements within income from charitable activities.

16. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	<u>£380,198</u>	<u>£318,342</u>

17. CASH FLOWS FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the reporting period	57,606	29,510
Depreciation	6,792	8,314
(Increase)/ decrease in debtors	(21,038)	11,806
Increase/ (decrease) in creditors	<u>18,496</u>	<u>(5,129)</u>
	<u>£61,856</u>	<u>£44,501</u>