

Company number SC129392
Charity number SC017954

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015

BROWN, SCOTT & MAIN

Chartered Accountants and Statutory Auditor

LOTHIAN CENTRE FOR INCLUSIVE LIVING

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LOTHIAN CENTRE FOR INCLUSIVE LIVING

DIRECTORS AND OFFICERS

CONVENOR

Jeff Adamson

OTHER DIRECTORS

Liz Pearston
Louise Doctor
Colin Cameron
Ann Robertson (deceased 5 August 2014)
Suselle Boffey
Robert MacPherson
John Ballantine

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

The Co-operative Bank plc
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 2015.

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.

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 proposers/nominators, 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.

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.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Risk Management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures established to manage those risks.

The most significant risk faced by LCiL remains that local authorities move away from service level agreements with our organisation and that our services are purchased directly by service users without the local authorities having prepared adequate ground for this. Although the Self Directed Support (SDS) (Scotland) Act 2013 mentions the need for support to be made available to SDS recipients, the increasing 'market approach' does not necessarily favour user led support organisations such as LCiL. The shift from a contract with local authorities to selling services to individuals may work well, at a practical level, for some of LCiL services (e.g. payroll) but does not really make sense for others (Grapevine, Independent Living support). In addition to this, the combination of tailoring our support to individual needs while working with people with a wide range of abilities would make such a move an unpredictable one. Most importantly, the broad framework for Local Authorities' achievement presents a real risk that funding for new and innovative projects to support new approaches to service delivery will not be seen as a priority. For LCiL, heavily engaged in the promotion of Independent Living services, this, combined with a very tight financial environment continues to bring more uncertainty.

Another potential risk is local authorities putting LCiL's services out to tender with potential for different service specifications that could compromise the ethos and / or quality of our service delivery. To address this LCiL is trying to maintain good and transparent relationships with local authorities and it provides regular and reliable information about service delivery and service users feedback on services received

Influencing Factors for Current Local Authority Financial Constraints

The issue of adequate resourcing remains the central challenge on a number of levels:

- Despite an increase of activities and an increasing number of supported service users, local authorities are not increasing their funding. This is due to the very tight national and local budget constraints. We are certain that local authorities will continue to decrease their investment in the care sector. Along with radical changes, reduction or withdrawal of services is anticipated on a scale never seen before.
- The UK led welfare reform is hitting hard many disabled people, people with long term conditions and their families. The impact is now fully felt by voluntary sector organisations and by local authorities too. At a time when local authorities are experiencing an unprecedented need to develop, and invest in prevention programmes they at the same time are required to respond to increasing demand from people in crisis.
- The current policy driving the integration of health and social care brings major challenges as well as opportunities to local authorities. In the Lothians the combined health and social care budget, while increasing joint practice, presents challenges for all institutions including a major cultural shift to consider new ways of allocating resources. In the longer term it may enable some savings to take place and a more efficient use of these resources.
- The freeze on the council tax exacerbates pressures on Local Authority budgets, thus effectively reducing funds available. To address this some local authorities increase personal contributions required from individuals towards their own care/support packages while they reduce care packages more generally.
- Although local authorities do not have to follow a tendering process in the commissioning of services in the care sector, many choose to do so in order to drive down costs and reduce the number of agencies they work with. In what way can a support organisation evidence best value? Will best value be judged in terms of finance only or will it also include individual quality of life it enables people to have? The current procurement processes continue to raise some fundamental questions on how qualitative outcomes and social returns are part of the final selection of agencies.
- At an individual service user level, this translates to the criteria for accessing community care services becoming more restrictive. In addition, community care charging policies continue to act as a barrier to disabled people's employment and geographical mobility.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

LCIL's Chief Executive, however, 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

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

The Changing External Environment in which LCIl Operates

Welfare Reform continues to affect a significant number of disabled people, people with long-term conditions and older people (i.e. the client group LCIl works with). By 2015

- The UK Independent Living Fund ceased to exist on 1st July 2015. The Scottish Government, however, in co-production with Disabled People Organisations (DPOs) and others organisations, committed to setting up a new Scottish ILF (ILF-Scotland) which commenced on 1st July 2015. All current ILF recipients were successfully transferred into the new ILF-Scotland thereby ensuring continuity of their funding and support. Depending on the next spending review the Scottish Government also seems to be committed to open ILF Scotland to new recipients. This again should be progressed in co-production with other organisations including DPOs.
- Disability Living Allowance will be replaced by the new benefit, the Personal Independence Payment (PIP) for all new claimants. The full impact of the changeover won't be felt until at least 2017. The overall budget for PIP has been cut by 20% and as a result around 800,000 current claimants are expected to lose benefit funding. With average loss to claimants per household and individual claimant estimated to be around £26,000 per annum.
- Incapacity benefit will no longer exist. All claimants will have to go through a Work Capability Assessment and move onto Employment Support Allowance or Job Seekers Allowance.
 - Moving disabled people from Incapacity Benefit onto Job Seekers Allowance will result in savings of £4.87 billion, approximately half of the overall 20% cut to the welfare budget.
 - This represents a loss of £9,000 for each person moving onto JSA
- Housing benefit is severely restricted. Of the 105,000 households affected by the under occupation penalty, 83,000 (79%) report having an adult with a disability (as recognised within the Disability Discrimination Act) living in the household.
- Overall, 3.5m disabled people in Britain will have lost over £9.2 billion of critical support as a result of this welfare reform
- The Independent Living in Scotland Project (ILiS) is about growing and strengthening the Independent Living Movement in Scotland. It also supports those disabled people, and their organisations, who contribute to the national Independent Living Programme alongside the Scottish Government, CoSLA and NHS Scotland. ILiS is heavily involved in making the various stakeholders accountable to the Programme.
- The integration of health and social care presents disabled people with an opportunity to see better integrated services reducing the current silo approach between services. The main concern is how much influence disabled people, people with long term conditions, and service users can have on the agenda to ensure that it delivers for them and does not become a power/funding war between two very different kinds of organisations and cultures i.e. health and social care.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

- The most important change, however, which is directly impacting on LCIl service users and our organisation is the SDS (Scotland) Act 2013 which, since its enactment on 1st April 2014 imposes a duty on local authorities to systematically offer SDS to the majority of people eligible for care/support.
 - SDS consists of 4 options
 - Option 1 - a direct payment
 - Option 2 - The responsibility of the financial management of the individual budget remains with the local authority whether it directly manages it or it delegates the task to a third party
 - Option 3 – A direct service
 - Option 4 – A combination of the above
- The referendum on an independent Scotland has been a major event for the country and has demonstrated that Scottish people would like to engage directly and differently with decisions that shape their communities and society. The impact of the Smith Report which will shape future policy developments between Scotland and the rest of the UK is not clear in many areas, including welfare issues and future tax powers (areas directly impacting on disabled people lives).

The above changing context has an impact on LCIl and its service users. Some of the policy changes have positive effects in moving forward the Disability Equality and Independent Living agenda, whilst others such as the Welfare Reform have a direct negative impact on our service users.

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.

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.

Partnership Working

LCiL works in partnership with a range of organisations at both a national and local level, and within the disability communities. Through working collaboratively with other organisations, LCIl aims to ensure that a holistic range of services is available to disabled people, and that duplication of service provision does not occur.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

1. Disability Organisations

Within the disability community, LCiL works with organisations at a local and national level. LCiL has a history of sharing its skills, knowledge and experience with Disability Support Organisations Scotland-wide and continues to work closely with them, particularly those involved in Independent Living. For example, LCiL works closely with its sister organisation, Glasgow Centre for Inclusive Living (GCIL), Inclusion Scotland, Glasgow Disability Alliance (GDA), Self Direct Support Scotland (SDSS) and many of its member organisations, Disabled People Housing Service (Fife) and forward Mid.

- LCiL's Chief Executive is Chair of SDSS.
- LCiL is a key organisation amongst the Scottish Independent Living Coalition (SILC). SILC provides opportunities to develop joint initiatives or responses to policies to promote disabled people's human rights and Independent Living as a whole.
- GCIL, which was supported by LCiL at its outset, remains a close partner. Regular meetings are held with GCIL and other like-minded organisations to exchange ideas and good practice. The meetings also serve as a forum to identify, monitor and evaluate the potential implications of legislative change and government policy. Both organisations are working even more closely since the Scottish Government invested funding in the two organisations to:
 - Develop common objectives to individually develop a strategic response to local SDS developments in Glasgow and the Lothians and ensure that their future support/information services meet the local demand effectively and creatively. This combined effort will enable the two CILs in Scotland to take a co-ordinated approach to developing support/brokerage models
 - Develop and pilot a web-based SDS support service management system that meets the changing needs of SDS support organisations and service users in Scotland.
- During the period covered by this report LCiL has provided leadership and co-ordinated collective responses and actions on two major issues directly impacting Disabled People Support Organisations in Scotland
 - Potential VAT registration of support services
 - New Automatic Enrolment workforce pension regulations for all users of payroll servicesby organising meeting opportunities for all Disabled People Organisations with a payroll service, keeping communication channels open, regularly updating organisations, providing support to and material for organisations to use and adapt for their own service users.
- LCiL continues to offer advice and information to other emerging CIL's and Direct Payment support organisations or services.
- On a UK wide level, LCiL is a member of the Disability Rights UK

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

2. Other Organisations

- With increasing activities at national and local level around the SDS Act and the SDS strategy LCIl has intensified its work with the Scottish Government, Scottish Parliament, NHS Lothian, as well as with the City of Edinburgh Council, and East, West and Mid Lothian Councils in supporting them to meet their policy objectives.
 - At the request of Scottish Government LCIl organised the launch of the SDS Act in Scotland which gathered 100+ disabled people, people with long term conditions, older people and representatives of statutory and non-statutory organisations. LCIl took the brave step of web-casting the official event from our homepage which attracted around 50 viewers across Scotland. This also provided a basis for social media engagement during the event via our Twitter feed which was projected live relaying people's posts.
 - LCIl's CEO, also Chair of SDSS, co-chaired and provided leadership to the Indendent Living Fund Scotland Project Board overseeing the change from UK ILF to the Scottish wide organisation, including the smooth transfer of 3,000+ members' funds.
 - LCIl's Grapevine Disability Information Service provided a written submission to Scottish Parliament Welfare Reform Committee on the experience of Personal Independence Payments (PIP) claimants, and also supported a service user to give their direct evidence to the Committee.
 - LCIl strengthened its relationship with NHS Lothian and explored 2 specific partnerships which have come to fruition in 2015-16, supporting people with Chronic Obstructive Pulmonary Diseases (COPD) and carers of people using the reduced Lanfine Unit in Edinburgh.
 - LCIl, through LCIl champions or staff involvement, actively participated in Lothian local authorities policy developments, training sessions, consultation exercises,
- The organisation continues to collaborate on a national and local level with groups which are service user specific e.g. MS related organisations, Chest Heart &Stroke Scotland, Muscular Dystrophy Group
- During the period LCIl was also a member of the Long Term Conditions Alliance in Scotland (now the ALLIANCE) whose key objective is to give a national voice to the estimated 2 million people in Scotland who live with long term conditions.
- LCIl has also continued its links with the Office of Disability Issues (ODI)
- During the period LCIl continued its close working partnership with VOCAL (Voices of Carers Across Lothian) and started to develop a closer relationship with CoEL (Carers of East Lothian) which will be cemented through a formal partnership funded by Scottish Government in 2015-16.

LCil was also closely involved in the organisation of a conference led by MECOPP on SDS and Ethnic Minorities (May 2014)

- In addition, LCIl has worked collaboratively with the following organisations:
EVOC, Thistle Foundation, In Control Scotland, The Edinburgh Development Group, Action Group, Penumbra, CCPS, LGBT, Autism Initiatives, Support in Mind, Stafford Centre, Barony Contact Point, Children in Scotland, Kindred, Scottish Huntington Association, Midlothian Voluntary Action, Changing Support, Changing Lives, Lothian Autistic Society, Self Directed Support Scotland, Action for Sick Children, Barnardos, Dunfermline Advocacy, Advocard, FAB, Signpost West Lothian, ECAS, Tree Club, Action for Children, EARS, CAPS, Scottish Independent Advocacy Association, PASDA, and Health in Mind Orchard Centre. Activities undertaken in conjunction with the foregoing organisations include LCIl providing presentations and delivering SDS workshops, consultation exercises, information exchange enabling reciprocal referrals to joint planning of a national conference.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Finally, LCiL has responded to a number of local and national consultations on matters of new policies and emerging legislation including:

- CEC budget consultation 2015-16
- CEC Taxicard consultation
- Health and social Integration Scheme in Midlothian
- Health and social Integration Scheme in West Lothian
- Health and social Integration Scheme East Lothian
- Health and social Integration Scheme in Edinburgh
- Health and social care services for adults in Midlothian, 2015-18 and beyond
- What is important to you? Response to NHS Lothian- Neurological Care Improvement Plan

OBJECTIVES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

Principal activity

The principal activity of the company, as a registered charity, is to support disabled people to live independently.

Objects

The charity's objects, as stated in its governing document, are to promote choice, status, independence and the opportunity to live a full and rewarding life as competent and valued members of the community for people with impairments, thus preventing segregation and reducing dependency.

Review of the year

Independent Living remains at the heart of everything LCiL does and the four fundamental aims of the ongoing strategy are leading LCiL to an exciting future.

1. LCiL is a well resourced organisation

In 2014-15 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 continues to develop and deliver/facilitate tailored training courses for other voluntary and private sector organisations as a means of bolstering its earned income potential. It is also developing its Financial Management Support Service so that it can generate increasing income by contracting with individuals, local authorities, statutory bodies, and service providers.

LCiL continues to make use of the Scottish Government grant that enables it to run a 3 year SDS Development Programme aiming at responding pro-actively and effectively to the changes, challenges and opportunities brought by the SDS Act and the SDS strategies implemented locally.

Successful negotiations with the Scottish Government to extend the funding of the Champions Programme to Sept 2015, will allow us to dovetail this with the new Scottish Government funding enabling continuation of delivery (2015-18).

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

The ODI Access to Work Project, extended by 2 months only, finished at the end of May 2014.

LCiL applies to trusts, foundations and any other funding opportunities on an ongoing basis. It is very clear, however, that raising funds, a time consuming operation, is becoming increasingly difficult and time spent doing it brings fewer rewards as a result of shrinking resources and increased competition.

2. **LCiL is a modern and innovative organisation which provides**

- **individual services**
- **one-stop-shop**

Pioneering new projects and responding holistically to disabled people's expressed needs is a continuing goal for LCiL. The SDS Development Programme, funded by a number of funding streams as explained above, is increasing our capacity to do even more of this. As mentioned before the programme, based on shared objectives enables:

- LCiL/GCiL to individually develop a strategic response to local SDS developments in the Lothians/Glasgow and ensure that our future support/information services meet the local demand effectively and creatively. This combined effort with GCiL should enable the two CiLs in Scotland to take a co-ordinated approach to developing support/brokerage models. We are, however, very limited in creative approaches by local authorities own limiting policies and decisions. For example, despite a demand from service providers for a viable and effective partnership model, we were prevented by CEC from offering service providers the financial management element of SDS Option 2.
- LCiL continues to review staff practice in relation to the individual outcome focused approach which is integral to SDS.
- LCiL / GCiL in partnership , to develop and pilot a web-based SDS support service management system that meets the changing needs of SDS support organisations and service users in Scotland.

In 2014-15 LCiL has continued to expand its financial management support service to service users who either do not have the capacity to manage the financial and administrative aspects of their DP/SDS package or who simply prefer to purchase this support to relieve them of the burden of such tasks. To facilitate this support, LCiL holds and operates individual "client bank accounts" on behalf of service users. In developing new models, LCiL remains committed to providing types of support, identified as needed by our service users, and at the lowest possible cost to them, whilst maintaining sustainable funding for the organisation.

With the resources offered within the SDS Development Programme LCiL is in a better position to strengthen links with organisations working with specific minority groups. As such we worked more closely with MECOPP an agency specialised in working with people from the Asian Community, mostly towards a joint conference on SDS and BME communities.

LCiL built on momentum and created new and dynamic content on the website this year with the addition of videos (LCiL Champions and Self-Directed Support launch event). We also took the brave step of streaming the official launch of the Self-Directed Support Act live from our homepage on the 1st of April 2014 which attracted around 50 viewers across Scotland. This also provided a basis for social media engagement during the event on our Twitter feed which was projected live for people to post to. Separately one of LCiL's Board members was interviewed on BBC and ITV. Other engagements with media included one of LCiL's champions taking part in an interview for the "Airing Pain" radio broadcast in October 2014 which was streamed from the Pain Concern website.

We also built up a collection of accessible resources for disabled people and their supporters on our E library with over 100 factsheets and publications now available to download free from the site, including a resource bank on Access to Work and a number of Grapevine resources for people to prepare for benefit claims and challenge decisions.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Main statistics covering the period from April 2014 – March 2015

- 10,755 people visited LCiL's website
- Visits – 21,956
- Page views – 81,077
- Pages looked at per visit – 3.69
- Average Visit Duration – 3.33
- % New Visits – 49%

As part of information provision and sharing events via online outlets the rate of people we engaged with on social media, via Facebook and Twitter has increased

Twitter Facebook friends

| | | |
|------------|-----|-----|
| April 2014 | 238 | 209 |
| March 2015 | 432 | 261 |

Twitter followers increased by 45% which is becoming an increasingly popular method of online engagement with LCiL and our followers/supporters, particularly on issues of welfare reform and self-directed support with us using it for campaigns such as #makeSDSwork for the launch of SDS and #yoursaybudget around CEC's budget consultation at the end of 2014 which resulted in the Chief Executive commenting on a number of pieces in the local press.

3. LCiL develops, sets, and maintains standards of excellence

In 2014-15 LCiL continued to record a variety of data and information to measure the impact our support has on the lives of people. Feedback received provides vital information for future planning. We continue to receive positive comments from service users that also enable us to measure the success of the organisation and, more importantly, ensure that services respond to the needs of our service users.

Disappointingly our attempts to share with local authorities colleagues a reflective approach embedded in practice have failed. We increasingly feel that local authority staff are overwhelmed by the level of change, their heavy and wide workload and by having no space to properly monitor or reflect on achievements.

On 4 December 2015 all staff but two, most of LCiL's Champions and Board members attended a 'time out day' Building on the previous year's event, all the participants took the opportunity to link organisation strategic directions with their own individual and team practice.

Thanks to the SDS Development Programme we are even more confident that LCiL will enable service users to become more involved and provide them with opportunities to influence the organisation.

4. LCiL is an independent, strong value-based, pro-active organisation which leads the future on Independent Living and works in partnership with other organisations

LCiL continues to be involved in significant national developments and is recognised in its field.

LCiL's Chief Executive was actively involved in the SDS National Programme Board (folded at the beginning of the year), the development of the CIPFA guidance, the Direct Payment & PA Working Group, and the COSLA Working Group on Commissioning for SDS.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

LCiL CEO, also Chair of SDSS, co-chaired and provided leadership to the Independent Living Fund Scotland (ILF-Scotland) Project Board, charged with overseeing the change over from UK ILF to the Scottish national organisation including the smooth transfer of funds to 3,000+ individual members. Aware of its historical role in the

development of the Independent Living Movement in Scotland and the promotion of direct payments as a tool toward achieving independent living, LCiL continues work and lead with other organisations in the field. Through its support to, and as chair of, Self Direct Support Scotland (SDSS - umbrella organisation of self-directed support organisations), LCiL is committed to raising the voice of user-led organisations and ensuring that direct payments/SDS remains a viable tool towards Independent Living.

Working closely with the Independent Living in Scotland (ILiS) project LCiL was able during this period to take part in important policy discussions on the integration of health and social care, care charges and further implementation of Independent Living. In addition to this ILiS proves to be a great source of information and reference to shape LCiL's own policy position or responses.

Locally LCiL has also been involved in important developments, such as:

- In CEC: the Core Group, working groups on option 2 and improvement of the direct payment process, review of care charges, respite and short breaks group, regular meetings with workforce development staff
- Also within CEC's disability services: LCiL's Grapevine service has worked with the CEC's Health and Social Care Gateway operational group to deliver a service targeting adults living in Edinburgh diagnosed with progressive neurological conditions such as Multiple Sclerosis, Motor Neuron Disease, Huntington's disease and Parkinson's. The Gateway service has been developed as a result of consultation with service users who said the most important thing was face to face contact with staff providing information that is up to date and accurate
- In Midlothian: the Joint Physical Disability planning group, two SDS implementation groups and other policy developments
- In East Lothian: the SDS Implementation Group, SDS Children's implementation group, SDS training planning group, SDS Option 2 process development.

One of the greatest achievements under this aim is the work of LCiL Champions. Through their continuing hard work and commitment to the organisation the Champions are able to make a significant and valuable impact to the way local authorities (and other organisations) develop their policies, deliver staff training and development, and raise awareness via user involvement etc. By 'telling it like it is' the Champions engage in a professional manner with representatives of statutory and non-statutory organisations, on a voluntary basis for LCiL.

Fully integrated within the four aims above, LCiL continued to deliver its SDS Development Programme. The programme strives to ensure that the organisation is fit for purpose when local authorities are themselves rolling out SDS. It consists of a programme of capacity building activities in the following areas:

- Users involvement
- Services suitability and relevance to demand
- Policy influencing
- Fit for purpose systems and internal policies
- Resource capacity management
- Financial sustainability

The SDS Development Programme is managed in such a way that it is integrated into the running of all the organisation's activities and its benefits are then shared across the whole organisation.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Review of the year by services

"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*

a. 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 offer 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

In 2014-2015

- ILS supported a total of 487 people (97 more than last year)

| | Supported Service Users | No of New Referrals |
|-------|-------------------------|------------------------------|
| Mid | 50 | 27 |
| West | 100 | 62 |
| East | 73 | 44 |
| CEC | 264 | 141 |
| TOTAL | 487 | 274 (66 more than last year) |

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

- ILS worked with a number of organisations in different ways
- Representation on Forward Mid, Joint Physical Disability Planning Group, ELC SDS Implementation Group, Vocal , and participation in the CEC Core Network Group, West Lothian SDS Providers Forum, and Edinburgh Development Group (EDG) SDS Rights Project
- Presentations: provided numerous presentations to groups such as Vocal carer groups in CEC and Midlothian, FLIP (Family Led Information Point) East Lothian, and PASDA.
- ILS has also taken up opportunities to promote independent living/SDS through participating in a wide range of events, including a series of short local events in East Lothian, and Future Fairs Event in East and Mid Lothian aimed at young people in transition.

Peer Support

The Lothian wide Peer Support Group continues to meet on a regular basis in Edinburgh, providing a platform for disabled PA employers to discuss and share experiences of being PA employers in a safe environment. Whilst LCiL facilitates Peer Support groups, it is also a value which is inherent throughout the organisation.

In 2014-2015, participants of the Edinburgh Peer Support Group discussed and supported each other with the following topics:

- RBS card- payment methods
- Agencies/relief cover
- Training costs
- Closure of ILF
- Impact of welfare reforms
- Employer's Liability Insurance
- Auto-enrolment
- Appropriate use of contingency money within the DP
- Community Care Charges
- Staffing/employment issues- sharing both positive and challenging experiences
- PA pay rates- not competitive for roles
- Introduction of self-directed support and impact of assessment
- Restrictions on use of funds
- Access issues

b. Training

Despite extremely difficult financial challenges, the Training Service continues 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.

- Two Introductory Health & Food Safety Courses were delivered with 13 individuals participating. The course co delivered and co-designed with Greggs the Bakers was designed specifically for disabled people with learning difficulties or mental health conditions, to gain the confidence and skills to choose healthy eating options and prepare food in a safe way.
- LCiL was also able to offer a further training session re Food and Safety in the Workplace Course to a further 8 disabled individuals, the majority of whom were being supported by the employment support organisations IntoWork and Real Jobs in the Action Group. Both of these courses were a springboard to finding work in the catering industry for at least two participants.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Training is also available to potential and existing Personal Assistants to participate in Disability Equality Training and to explore the roles and responsibilities involved in PA work. All of the LCiL's training courses have been designed and developed in conjunction with disabled people and are also delivered by disabled people. During this year the service ran 4 PA courses with 31 people participating.

- 24 participants were funded by BIG (Big Lottery)
- 4 participants used their Individual Learning accounts (ILAs)
- 3 were funded by their employers

The Training Service was able to deliver a commissioned Disability Equality Training 1 day session. The key challenge for the Training Service has been to develop a strategy which would enable it to continue to deliver courses in times of severe budgetary constraints. LCiL, however, has raised funds to offer a range of learning opportunities to PA employers for the next 3 years.

The Living and Work Choices Programme

This programme funded by the Big Lottery (BIG) for five years started in 2012-13. It consists of the delivery of a training programme with disabled people and people with long term conditions who have not yet considered, or are about to explore, more independent ways of living their lives. Every training session is delivered by people with lived experience of having an impairment. After each course the programme offers one to one support and person centred planning so that individuals can translate their individual learning and outcomes into action. In the past year the programme offered:

- Four 'Living Work Choice' four day courses - resulting in forty nine participants completing the programme
- Two 'Essential Employer Skills' three day course including the very first young peoples day - eighteen participants undertaking the programme

It also offered twenty four free places on the training for PAs courses mentioned in the Training section

The Champions Programme

Using funding from the Office of Disability Issues (ODI) and Scottish Government SDS Development programme (the project co-ordinator is the SDS development officer), the programme continued to support and develop the group of nine 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.

Each Champion has a Buddy who is a member of LCiL staff and who supports them to carry out their role.

During its second year of operation the programme continued to be an integral part of LCiL and strengthened its influence of how SDS is implemented.

During this period Champions:

- Took part in 57 events, 14 of which involved two or more Champions. Examples are: the launch event for the SDS Act; talking to prospective direct payment recipients about their own experiences of managing DPs; designing and delivering training on assessment to social workers and other local authority practitioners
- Met together five times during the year to share learning and offer each other peer support
- Made a video about their first year. This was launched at an event attended by 60 people including local authority staff. The video was viewed 572 times during the year.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

- *To provide a payroll service for disabled people who employ their own support staff*

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

During the 2014-15 year, the demand for the service grew by 17%. A total of 521 disabled employers made use of the payroll service, and salaries were processed for an average of 906 personal assistants each month/ 4 weekly period.

Please see below for a regional breakdown of payroll service users:

| REGION | NUMBER OF SERVICE USERS |
|---------------|-------------------------|
| Edinburgh | 279 |
| Midlothian | 75 |
| East Lothian | 60 |
| West Lothian | 101 |
| Private/Other | 6 |

There were 54 cessations during the year.

The Financial Management Service (FMS), formerly referred to as enhanced payroll service, also saw an increase in demand. During 2014-15, a further 21 payroll service users took up this service, an increase of 33% bringing the total number of payroll service users accessing the FMS to 154.

A further 16 (non-payroll) service users used the FMS to engage with Agency support and or make other payments from their SDS budgets

The significant increases in take up of both payroll and FMS services resulted in additional resources being put in place to meet the ongoing demand for this support.

- *To provide an accurate, up to date and accessible disability information service*

In 2014 -2015 the Grapevine Disability Information Service received 5,780 enquiries for advice and information from 1237 individuals and organisations in Edinburgh, East Lothian and Midlothian. A further 498 people received information/ advice via outreach presentations.

This represents a 36% increase in the number of enquiries since the last financial year, a 26% increase in the number of contacts we have responded to and 50% more individuals receiving information and advice via outreach talks. In effect with no increased uplift in funding since 2006, the service has never been in such high demand with in effect fewer Resources.

Who contacted the service?

| | |
|-------------------------|-----|
| Disabled People | 660 |
| Family/Carer | 175 |
| Voluntary Organisations | 137 |
| Local Authority workers | 90 |
| Health service | 47 |
| Other | 42 |
| Unknown | 13 |
| Internal | 73 |

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

| | |
|-------------------------|-------|
| Money | 676 |
| Grants & Trusts | 140 |
| Other Benefits | 570 |
| DLA/PIP/AA/SDP | 613 |
| IB/ESA/WCA/IS | 206 |
| Social Work | 277 |
| SDS | 459 |
| Transport | 118 |
| Equipment | 204 |
| Housing | 105 |
| Access | 125 |
| Education | 340 |
| Employment | 333 |
| Holidays Leisure | 195 |
| Legal rights/complaints | 108 |
| Personal Health | 362 |
| Vol Orgs | 334 |
| Grape News/Pubs | 201 |
| Other LCIL | 414 |
| Total | 5,780 |

Regional breakdown:

| CEC | ELC | MLC | WLC | Scotland | UK | Other | Unknown |
|-----|-----|-----|-----|----------|----|-------|---------|
| 895 | 67 | 107 | 14 | 49 | 6 | 28 | 32 |

The majority of Grapevine enquiries relate to benefits and financial advice. In this year advice on this topic area has risen by 19% and we have more than doubled responses to enquiries relating to other funding needs, including support to source grants and trust funding for essential equipment, respite breaks and adaptations. Furthermore with the introduction of Self-Directed Support (SDS) in April 2014, Grapevine responded to double the number of enquiries relating to initial information and advice on this, and many enquirers were referred onto ILT for more support and input. Edinburgh residents account for 75% of all our enquiries but overall we have seen increases across all regional areas we receive funding from at present. In total we have seen 180 people this year via face to face appointments, an increase on last year which is indicative of DLA recipients being reassessed under PIP, as well as increased demand from individuals requesting assistance with claim forms which are very complex and complicated to complete.

Grapevine has also been working closer with other LCIL services – over 400 enquiries have involved direct referrals or passing on information for colleagues to follow up e.g. training services. Across all groups we have seen an increase in the numbers contacting us, whether carers, voluntary organisations, health workers and local authority staff.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

During 2014-2015 Grapevine responded to over 595 phone calls, 356 online requests for information, including emails, provided 180 face to face interviews, received 498 enquiries via 37 outreach talks to local groups and organisations and replied to 6 letters. Over 1,500 copies of Grapevine's quarterly newsletter, 'Lothian Disability News' was distributed to individuals and organisations across Lothian.

Grapevine also benefited from the support of a volunteer who assisted with the updating and creation of new publications.

Partnership working:

Gateway Service: Partnership working continues with CEC on the Gateway service targeting people with progressive neurological conditions, aged 16-65 years old and living in Edinburgh. Grapevine's Information Officer provides two out-reach surgeries per week, based at Craighall and Firhill Resource Centres. Over the course of 2014-2015 Grapevine has supported 121 individuals with 559 enquiries through the Gateway service. Grapevine is well-recognised as a third sector partner of the Gateway Service and conducts regular referral meetings with the Gateway Partnership Officer employed by CEC to effectively manage the caseload. We have delivered a series of information sessions and talks to social work teams, health services and MS therapy centre, Parkinsons' nurses, Huntington's Family Support Group, Parkinson's Young Person's group as part of the Gateway service which has recognised the fundamental role we play.

Grapevine continues to have close links with NHS Lothian's Pulmonary Rehab Groups delivering a number of talks to satellite groups across the City of Edinburgh and in January 2015 we secured funding from NHS Lothian to deliver home visits one day a week to individuals affected by the most severe forms of Chronic Obstructive Pulmonary Disease (COPD) who are unable to get to our office in Norton Park.

Change Fund: 60 benefit checks (Attendance Allowance, Pension Credits and other entitlements) for people aged 65 and above living in City of Edinburgh were carried out in the period. This number exceeded the original target for the Change Fund (40).

Advice Agencies Forum: Grapevine is part of the DWP Advice Agencies Forum in Edinburgh and has established links with the City of Edinburgh Council's Welfare Reform Partners Forum. These fora are aiming to build an effective network to ensure signposting/reciprocal referrals around the impact of welfare reforms and recognise Grapevine's unique position as the only non-impairment specific disability information and advice service dealing with welfare matters and health/social care issues. In Midlothian, under MLC's Physical Disability Strategy (2012-2015) Grapevine has been involved in the establishment of a welfare reform group for people affected by benefit changes and in need of support from each other and advice from relevant agencies, however unfortunately due to limited resources we had to pull out of further development with this group.

Grapevine has strong links with / has delivered talks on a range of issues, including welfare reform to: Headway East Lothian, Local Area Coordination Team, Self-Management training courses, Pilmeny Development Project, MS Therapy Centre, Edinburgh, VOCAL, Edinburgh, Muscular Dystrophy Campaign, Pilmeny Development Group, Friends Group, The Action Group, Social Work Teams, Dementia Inpatient Team, Royal Edinburgh Hospital, Job Centre Plus – High Riggs, and Leith, as well as Dalkeith Job Centre, Scottish Welfare Team, City of Edinburgh Council, East Regional Housing Association Forum, Citizens Advice Edinburgh advisors, LOOPS and volunteer centre Edinburgh, Disabled Living Centre, Astley Ainslie Hospital.

Policy – welfare reform

Over the next 5 years all existing DLA claimants will be reassessed under PIP. Grapevine has responded to the new demands placed on disabled people who have to go through stressful assessments under a new process which will inevitably mean most people will be seen face to face by an independent health professional.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

As part of the UK government's first personal independence payment review we jointly hosted a consultation event with the national policy charity for disabled people, Inclusion Scotland, in August 2014, using the direct experiences of people we have assisted with claiming Personal Independence Payment in the Grapevine service.

FINANCIAL REVIEW

Against the background of no increased core funding, ongoing increased demand for services and rising overhead costs, the funding received from the Scottish Government to implement a programme of work to ensure that LCIL is fit for purpose in relation to SDS has temporarily alleviated LCIL's struggle to develop and deliver safe and effective services. LCIL's Board of Directors is delighted that SG funding has been renewed for the next 3 years, 2015- 2018. 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.

LCIL's withdrawal from the Lothian Pension Fund has enabled the organisation to make quite significant savings and should allow it to compete more favourably in the future market place. However the ongoing re-payment of the cessation fees (£75,000 over the next 2 years) will continue to have a financial impact on the organisation for the duration of this period.

At 31 March 2015 the charity's reserves were £364,288 (2014 £283,107) comprising an accumulated surplus on unrestricted funds of £151,525 (2014 £81,393) and an accumulated surplus on restricted funds of £212,763 (2014 £201,714). 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. At the year end the charity's liability in respect of cessation fees to LPF was £75,000 which is due to be paid in two instalments of £37,500 per annum over the next two years.

Principal Funding Sources

A further 1 year service level agreement (SLA) was awarded by City of Edinburgh Council at the same funding level since 2006. The City of Edinburgh Council remains the most significant funder for LCiL's core services (i.e. Independent Living, Independent Living Training, Payroll and the Grapevine – Disability Information Service). West, East and Midlothian Councils have awarded a 1 year funding again with no uplift since 2010 and, in the case of East Lothian Council funding towards the Grapevine Service. It was intimated that during 2014-15 CEC, East Lothian and West Lothian would review the services provided by LCiL in terms of best value and strategic relevance, these reviews remain ongoing at end of March 2015. Midlothian has at April 2015, replaced SLA funding with a 1 year grant of lower value than previous SLA.

Restricted Funds

- ◆ BIG – funds received from the BIG Lottery Fund, part of a five year project, Living and Work Choices, to support disabled young people and adults move forward towards independent living and the labour market.
- ◆ Change Fund grant received to support older people to increase take up of SDS within this client group was fully spent. A further year's funding granted under "Innovation Fund".
- ◆ SG Database – further funds received from Scottish Government to progress the development of the web-based management tool continue to be unspent while significant changes are made to the specification under development to ensure it is fit for purpose – i.e. enabling better collation of statistical data re service delivery and also to provide Service User on-line access to their case records and to manage their individual budgets.
- ◆ SDS Development Programme – this 3 year programme, originally scheduled to end in March was granted an extension until September 2015 within the existing funding provided by the Scottish Government. The programme continues to: support the work of LCIL's Champions; enable capacity building within LCiL to ensure the organisation can fully support the on-going roll out and development of SDS process and policy within LAs; support SUs to make informed choice re options within SDS, following the enactment of Self-Directed Support Act on 1st April 2014.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

- ◆ **SDS Children & Families Programme** – As an additional and complementary element of the SDS Development Programme, Scottish Government funding was received to focus on SDS for Children, young people and Families and people with mental health issues accessing SDS. This complementary project was also extended to September 2015. Application for further funding from a new Scottish Government stream (“Support in the Right Direction”) was successful and will allow all the SDS work to continue for a further 3 years (April 2015-March 2018).
- ◆ **ODI Champions Programme** – Funding received from the Office of Disability Issues (ODI) was fully spent on training and equipping a group of disabled people, people with long-term conditions and carers to promote understanding of Independent Living and SDS, and raise the profile of LCiL and Disabled People’s Organisations. This funding ended March 2015.
- ◆ **ODI AtW** - Funding received from the Office of Disability Issues (ODI) was fully spent on providing a programme of promotion, information and advice to disabled people, employers and employment support organisations regarding the important resource of Access To Work. This project ended in May 2014.

Applications continue to be prepared and targeted at other key funders and smaller trusts to supplement the core services and develop new services in response to an identified need. However as previously mentioned it is very clear that raising funds is becoming increasingly difficult and the time spent doing it brings fewer rewards as a result of shrinking resources and increased competition.

The Directors and senior management continue to prepare for the changes in service procurement and commissioning which may change the way in which LCiL negotiates its funding from the public sector. The changes, that include LAs moving to awarding Individual Budgets (i.e. allocating a definite budget to each individual that he/she can choose to receive directly as a direct payment or receive through arranged services allowing greater control and choice for individuals) means that LCiL must continue to look at ways of better evidencing best value practice and develop processes to measure and report on qualitative and quantitative outcomes.

Reserves Policy

The Directors attempt to follow the guidelines for reserves as stipulated in the City of Edinburgh Funding Agreement who are the organisation’s largest core funder. This states that, whilst encouraging the accumulation of financial reserves, these should not exceed 3 months staff salaries. Clearly the on-going liability to LPF in relation to cessation costs means that LCiL will have to be even more stringent in monitoring its spending, ensure full cost recovery basis is applied to all future funding applications, SLAs etc., and endeavour 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 3 years. 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:

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

- 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.

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. 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.

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 | |
| Colin Cameron | |
| Ann Robertson | deceased 5 August 2014 |
| Suselle Boffey | |
| Robert MacPherson | |
| John Ballantine | |

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 2015 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 2015 and is in force now.

BASIS OF PREPARATION

This report has been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



E L PEARSTON
DIRECTOR
26 October 2015

LOTHIAN CENTRE FOR INCLUSIVE LIVING

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

We have audited the financial statements of Lothian Centre for Inclusive Living for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes on pages 24 to 33 inclusive. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Reporting Standard for Smaller Entities (effective April 2008) and Statement of Recommended Practice 2005 "Accounting and Reporting by Charities" (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Charitable Entities).

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. Our audit work has been undertaken so that we might state to the members and the charity's directors 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Directors' Responsibilities set on pages 20 and 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed 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 regulations made under those Acts.

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Charitable Entities; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

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

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records 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 directors' 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' exemption in preparing the Report of the Directors and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



William Main CA (Senior Statutory Auditor)
for and on behalf of Brown, Scott & Main, Statutory Auditor
91 West Savile Terrace
Edinburgh

26 October 2015

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2015

| | <u>Notes</u> | <u>Unrestricted</u> <u>funds</u> £ | <u>Restricted</u> <u>funds</u> £ | <u>2015</u> <u>Total</u> £ | <u>2014</u> <u>Total</u> £ |
|--|--------------|--|--|----------------------------------|----------------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | | | | | |
| Grants | 3 | 301,407 | 240,604 | 542,011 | 591,345 |
| Donations | | <u>2,306</u> | <u>-</u> | <u>2,306</u> | <u>808</u> |
| | | <u>303,713</u> | <u>240,604</u> | <u>544,317</u> | <u>592,153</u> |
| Investment income | | | | | |
| Bank interest | | <u>281</u> | <u>-</u> | <u>281</u> | <u>182</u> |
| Incoming resources from charitable activities | | | | | |
| Service level agreements | 3 | 93,675 | - | 93,675 | 93,695 |
| Payroll fees [Independent Living] | | 117,670 | - | 117,670 | 99,484 |
| Consultancy fees and other income | | <u>3,358</u> | <u>-</u> | <u>3,358</u> | <u>5,276</u> |
| | | <u>214,703</u> | <u>-</u> | <u>214,703</u> | <u>198,455</u> |
| Total incoming resources | | <u>518,697</u> | <u>240,604</u> | <u>759,301</u> | <u>790,790</u> |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | | | | | |
| Costs of generating voluntary income | | 11,667 | - | 11,667 | 11,820 |
| Charitable activities | | 431,453 | 228,560 | 660,013 | 634,436 |
| Governance costs | | <u>6,440</u> | <u>-</u> | <u>6,440</u> | <u>13,639</u> |
| Total resources expended | 5 | <u>449,560</u> | <u>228,560</u> | <u>678,120</u> | <u>659,895</u> |
| NET INCOME FOR YEAR | | 69,137 | 12,044 | 81,181 | 130,895 |
| TRANSFERS | | | | | |
| Gross transfers between funds | | 995 | (995) | - | - |
| NET INCOME FOR YEAR | | 70,132 | 11,049 | 81,181 | 130,895 |
| Net movement in funds | 10 | 70,132 | 11,049 | 81,181 | 130,895 |
| Total funds brought forward | 10 | <u>81,393</u> | <u>201,714</u> | <u>283,107</u> | <u>152,212</u> |
| Total funds carried forward | 10 | <u>£151,525</u> | <u>£212,763</u> | <u>£364,288</u> | <u>£283,107</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.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

BALANCE SHEET AS AT 31 MARCH 2015

Company number SC129392

| | <u>Notes</u> | <u>2015</u> £ | <u>2014</u> £ |
|---|--------------|------------------------|------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | <u>69,174</u> | <u>55,767</u> |
| CURRENT ASSETS | | | |
| Debtors | 7 | 63,573 | 83,349 |
| Client account balances | | 436,971 | 256,286 |
| Cash at bank and in hand | | <u>334,786</u> | <u>274,101</u> |
| | | <u>835,330</u> | <u>613,736</u> |
| CREDITORS: Amounts falling due within one year | 8 | <u>502,716</u> | <u>311,396</u> |
| NET CURRENT ASSETS | | <u>332,614</u> | <u>302,340</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 401,788 | 358,107 |
| CREDITORS: Amounts falling due after one year | 9 | <u>37,500</u> | <u>75,000</u> |
| NET ASSETS | | <u>£364,288</u> | <u>£283,107</u> |
| CAPITAL AND RESERVES | | | |
| Unrestricted funds: | | | |
| General funds | | <u>151,525</u> | <u>81,393</u> |
| Total unrestricted funds | 10 | 151,525 | 81,393 |
| Restricted funds | 10 | <u>212,763</u> | <u>201,714</u> |
| | | <u>£364,288</u> | <u>£283,107</u> |

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

The financial statements on pages 24 to 33 were approved by the Board of Directors on 26 October 2015 and signed on its behalf by:


E L PEARSTON
DIRECTOR


DIRECTOR

The notes form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), Statement of Recommended Practice 2005 "Accounting and Reporting by Charities" and with the Companies Act 2006.

FUND ACCOUNTING

Unrestricted funds represent grants and other incoming resources receivable to further the objects of the charity without further specified purpose and are available as general funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the relevant funding body or which have been raised by the charity for specific purposes. Further information on the purpose of specific restricted funds is provided at pages 19 and 20 of the report of the directors. The charity had seven restricted funds during the year: BIG, Change Fund, Scottish Government database, Scottish Government Development, Scottish Government Children & Families, ODI Champions and ODI Access to Work.

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

INCOMING RESOURCES

Income comprises grants, service level agreement income, project fees and donations which are recognised when entitlement to, certainty and measurement of the income has been established. Where a donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use, the income is deferred until the conditions have been met. Income receivable for specific purposes is accounted for as a restricted fund. All income is derived from activities within the UK. Sources of significant grants and service level agreement income receivable are shown at note 3. The value of services provided by volunteers has not been quantified or included in these accounts.

RESOURCES EXPENDED

All expenditure is included on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered. Costs related to a particular activity are allocated directly and support costs are apportioned on an appropriate basis e.g. staff time, floor area or estimated usage as set out in note 5.

Costs of generating funds comprise the costs associated with attracting income and promoting the services provided by the charity.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, as well as those costs associated with the strategic management of the charity itself.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation. Minor additions costing less than £100 are not capitalised. Depreciation is charged so as to write off the cost less residual value of each asset over its useful life. The rate of depreciation applicable to office equipment, furniture and fittings is 25% per annum on a straight line basis.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

1. ACCOUNTING POLICIES (Continued)

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.

PENSIONS

With effect from 1 September 2012 the company ceased its membership of the Lothian Pension Fund, an independently administered multi-user defined benefit pension scheme operated on behalf of local authority and voluntary sector employees. In place of that scheme the company now 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.

OPERATING LEASES

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

LIABILITIES

Liabilities are recognised in the financial statements when an obligation arises for the transfer of economic benefits as a result of past transactions or events.

GOING CONCERN

The financial statements are prepared on the going concern basis. The directors consider that the going concern basis is appropriate as the company expects to secure sufficient funding from external agencies to continue to provide its core services for the foreseeable future and to meet its day to day working capital and capital commitments as they fall due, including scheduled payments on the company's defined benefit pension scheme cessation liability (see note 13).

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

2. NET INCOMING RESOURCES FROM ORDINARY ACTIVITIES

| | 2015 £ | 2014 £ |
|---|------------|------------|
| Net incoming resources from ordinary activities is stated after charging: | | |
| Depreciation | 4,583 | 5,276 |
| Auditors' remuneration for audit services | 4,800 | 4,700 |
| Auditors' remuneration for non-audit services | <u>800</u> | <u>950</u> |

3. GRANT AND SERVICE LEVEL AGREEMENT INCOME

| | 2015 Unrest- ricted £ | 2015 Rest- ricted £ | 2015 Total £ | 2014 Unrest- ricted £ | 2014 Rest- ricted £ | 2014 Total £ |
|--|--------------------------------|------------------------------|------------------------|--------------------------------|------------------------------|------------------------|
| Government grants | | | | | | |
| Scottish Government | - | 127,849 | 127,849 | - | 177,015 | 177,015 |
| City of Edinburgh Council | 249,592 | - | 249,592 | 242,592 | - | 242,592 |
| East Lothian Council | <u>42,200</u> | - | <u>42,200</u> | <u>42,201</u> | - | <u>42,201</u> |
| | <u>291,792</u> | <u>127,849</u> | <u>419,641</u> | <u>284,793</u> | <u>177,015</u> | <u>461,808</u> |
| Other grants | | | | | | |
| BIG Lottery Fund | - | 83,294 | 83,294 | - | 79,249 | 79,249 |
| Office for Disability Issues | - | 17,801 | 17,801 | - | 31,300 | 31,300 |
| Change Fund | - | 11,660 | 11,660 | - | 11,660 | 11,660 |
| Nimar Charitable Trust | 1,000 | - | 1,000 | - | - | - |
| JTH Charitable Trust | - | - | - | 250 | - | 250 |
| Employment Service | <u>8,615</u> | - | <u>8,615</u> | <u>7,078</u> | - | <u>7,078</u> |
| | <u>9,615</u> | <u>112,755</u> | <u>122,370</u> | <u>7,328</u> | <u>122,209</u> | <u>129,537</u> |
| Total grants | <u>£301,407</u> | <u>£240,604</u> | <u>£542,011</u> | <u>£292,121</u> | <u>£299,224</u> | <u>£591,345</u> |
| Local Government service level agreements | | | | | | |
| West Lothian Council | 59,261 | - | 59,261 | 59,261 | - | 59,261 |
| Midlothian Council | <u>34,414</u> | - | <u>34,414</u> | <u>34,434</u> | - | <u>34,434</u> |
| | <u>£93,675</u> | <u>£-</u> | <u>£93,675</u> | <u>£93,695</u> | <u>£-</u> | <u>£93,695</u> |

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

4. EMPLOYEES AND DIRECTORS

| | 2015 | 2014 |
|--|------------------------|------------------------|
| | £ | £ |
| Details of staff costs are as follows: | | |
| Gross salaries | 442,776 | 413,276 |
| Employer's national insurance | 36,816 | 35,974 |
| Defined contribution pension scheme cost | <u>25,981</u> | <u>25,971</u> |
| | <u>£505,573</u> | <u>£475,221</u> |

No remuneration was payable to directors during the year (2014 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 | 18 | 16 |
| Administration | <u>1</u> | <u>1</u> |
| | <u>21</u> | <u>19</u> |

During the year the company paid travel expenses totalling £245 (2014 £225) on behalf of two (2014 one) director(s).

Employee and employer contributions totalling £3,331 (2014 £3,319) were payable to the defined contribution scheme at the year-end.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

5. TOTAL RESOURCES EXPENDED

| | CoGF £ | ILS £ | GV £ | TR £ | ON CHARITABLE ACTIVITIES | | | | | ODIAW £ | GO £ | 2015 £ | 2014 £ |
|--|---------------|----------------|---------------|---------------|--------------------------|---------------|---------------|---------------|------------|---------------|--------------|----------------|----------------|
| | | | | | BIG | SGC&F | Change | SGDV | SGDA | ODICH | | | |
| | | | | | £ | £ | £ | £ | £ | £ | | | |
| Costs directly allocated to activities | | | | | | | | | | | | | |
| Staff costs | 11,667 | 238,035 | 55,840 | 14,945 | 48,186 | 28,576 | 8,320 | 31,739 | - | 2,136 | - | 442,016 | 411,200 |
| Recruitment | - | 6,650 | 309 | 52 | - | - | - | - | - | - | - | 7,011 | 5,409 |
| Audit fee | - | - | - | - | - | - | - | - | - | - | 5,600 | 5,600 | 5,650 |
| Other professional fees | - | - | - | - | - | - | - | - | - | - | - | - | 16,094 |
| Volunteer expenses | - | - | 38 | - | - | - | - | - | - | 474 | - | 1,352 | 1,041 |
| Management committee training | - | - | - | - | - | - | - | - | - | - | - | - | 1,250 |
| Other service delivery costs | - | 1,401 | 465 | 2,634 | 18,573 | - | - | 6,990 | - | 1,990 | - | 32,111 | 22,571 |
| LPF cessation | - | 1,334 | 304 | 51 | - | - | - | - | - | - | - | 1,689 | 2,250 |
| Payroll fees bad debts | - | 332 | - | - | - | - | - | - | - | - | - | 332 | 54 |
| | <u>11,667</u> | <u>247,752</u> | <u>56,956</u> | <u>17,682</u> | <u>66,759</u> | <u>28,576</u> | <u>8,320</u> | <u>38,729</u> | <u>-</u> | <u>4,600</u> | <u>6,440</u> | <u>490,111</u> | <u>465,519</u> |
| Support costs allocated to activities [basis of allocation] | | | | | | | | | | | | | |
| Staff costs [staff time] | - | 47,705 | 11,237 | 8,605 | - | - | 3,140 | 13,947 | - | 1,769 | 415 | 86,818 | 84,032 |
| Premises costs | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [floor area; per capita] | - | 20,035 | 4,939 | 2,130 | 9,613 | 2,178 | - | 3,422 | 98 | 1,177 | 72 | 43,664 | 45,273 |
| Consultant fees and temporary staff | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [time] | - | - | - | - | - | - | - | - | - | - | - | - | 12,984 |
| Office and administration | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [usage; per capita] | - | 26,588 | 6,954 | 2,154 | 4,448 | 1,741 | 200 | 3,401 | 30 | 5,835 | 308 | 51,659 | 46,054 |
| Bank charges [usage; per capita] | - | 1,255 | 26 | 4 | - | - | - | - | - | - | - | 1,285 | 757 |
| Contribution (from)/ to projects and core activities | - | (13,072) | (2,978) | (11,102) | 10,606 | 3,806 | - | 12,740 | - | - | - | - | - |
| Depreciation [usage; per capita] | - | 3,621 | 825 | 137 | - | - | - | - | - | - | - | 4,583 | 5,276 |
| | <u>-</u> | <u>86,132</u> | <u>21,003</u> | <u>1,928</u> | <u>24,667</u> | <u>7,725</u> | <u>3,340</u> | <u>33,510</u> | <u>128</u> | <u>8,781</u> | <u>795</u> | <u>188,009</u> | <u>194,376</u> |
| | <u>11,667</u> | <u>333,884</u> | <u>77,959</u> | <u>19,610</u> | <u>91,426</u> | <u>36,301</u> | <u>11,660</u> | <u>72,239</u> | <u>128</u> | <u>13,381</u> | <u>6,440</u> | <u>678,120</u> | <u>659,895</u> |

Amounts classified above as staff costs includes employment costs of £505,573 (2014 £475,221) as disclosed at note 4 and also staff travel and training costs.

Abbreviations used in the table of resources expended are as follows:

| | | | |
|-------|---------------------------|--------|--|
| CoGF | Costs of generating funds | ODICH | Scottish Government Development |
| BIG | Big Lottery Fund | ILS | Scottish Government Database |
| ODIAW | Access to Work | Change | SGC&F |
| | | | Scottish Government Communities & Families |

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

6. TANGIBLE FIXED ASSETS

| | Fixtures, fittings and office equipment £ | Asset in the course of construction £ | Total £ |
|-----------------------|--|--|----------------|
| COST | | | |
| At 1 April 2014 | 60,671 | 48,000 | 108,671 |
| Additions | 5,840 | 12,150 | 17,990 |
| Disposals | (7,108) | - | (7,108) |
| At 31 March 2015 | <u>59,403</u> | <u>60,150</u> | <u>119,553</u> |
| DEPRECIATION | | | |
| At 1 April 2014 | 52,904 | - | 52,904 |
| Charge for year | 4,583 | - | 4,583 |
| Disposals | (7,108) | - | (7,108) |
| At 31 March 2015 | <u>50,379</u> | <u>-</u> | <u>50,379</u> |
| NET BOOK VALUE | | | |
| At 31 March 2015 | <u>£9,024</u> | <u>£60,150</u> | <u>£69,174</u> |
| At 31 March 2014 | <u>£7,767</u> | <u>£48,000</u> | <u>£55,767</u> |

The asset in the course of construction is a web-based management tool designed to improve collation of statistical data on service delivery and also to provide service users with on-line access to their case records and to manage their individual budget.

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

| 7. DEBTORS | 2015 | 2014 |
|--------------------------------------|----------------|----------------|
| Amounts falling due within one year: | £ | £ |
| Accrued income | 47,363 | 55,263 |
| Prepayments | 10,603 | 19,148 |
| Other debtors | 5,607 | 8,938 |
| | <u>£63,573</u> | <u>£83,349</u> |

8. CREDITORS AND ACCRUED CHARGES

| | | |
|--|-----------------|-----------------|
| Amounts falling due within one year: | | |
| Payroll taxes | 9,822 | - |
| Client account balances | 436,971 | 256,286 |
| Defined benefit pension scheme cessation liability (note 13) | 37,500 | 37,500 |
| Accruals and deferred income | 18,423 | 17,610 |
| | <u>£502,716</u> | <u>£311,396</u> |

9. CREDITORS AND ACCRUED CHARGES

| | | |
|--|----------------|----------------|
| Amounts falling due after one year: | | |
| Defined benefit pension scheme cessation liability (note 13) | 37,500 | 75,000 |
| | <u>£37,500</u> | <u>£75,000</u> |

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

10. MOVEMENT ON FUNDS

| | At 01/04/14 £ | Incoming Resources £ | Outgoing Resources £ | Net movement £ | Inter-fund transfers £ | At 31/03/15 £ |
|------------------------------|------------------------|----------------------------|----------------------------|-----------------------|------------------------------|------------------------|
| Restricted Funds: | | | | | | |
| BIG | 19,896 | 83,294 | (91,426) | (8,132) | - | 11,764 |
| Change Fund | - | 11,660 | (11,660) | - | - | - |
| ODI Champions | - | 14,376 | (13,381) | 995 | (995) | - |
| ODI Access to Work | - | 3,425 | (3,425) | - | - | - |
| Scottish Government C&F | 21,620 | 41,870 | (36,301) | 5,569 | - | 27,189 |
| Scottish Government database | 71,441 | 9,036 | (128) | 8,908 | - | 80,349 |
| Scottish Government devel | <u>88,757</u> | <u>76,943</u> | <u>(72,239)</u> | <u>4,704</u> | - | <u>93,461</u> |
| Total restricted | <u>201,714</u> | <u>240,604</u> | <u>(228,560)</u> | <u>12,044</u> | <u>(995)</u> | <u>212,763</u> |
| Unrestricted Funds: | | | | | | |
| Undesignated funds | | | | | | |
| General fund | <u>81,393</u> | <u>518,697</u> | <u>(449,560)</u> | <u>69,137</u> | <u>995</u> | <u>151,525</u> |
| Total undesignated | <u>81,393</u> | <u>518,697</u> | <u>(449,560)</u> | <u>69,137</u> | <u>995</u> | <u>151,525</u> |
| Total unrestricted | <u>81,393</u> | <u>518,697</u> | <u>(449,560)</u> | <u>69,137</u> | <u>995</u> | <u>151,525</u> |
| TOTAL FUNDS | <u>£283,107</u> | <u>£759,301</u> | <u>£(678,120)</u> | <u>£81,181</u> | <u>£-</u> | <u>£364,288</u> |

Further information on the purpose of specific restricted funds is provided at pages 19 and 20 of the report of the directors.

11. FINANCIAL COMMITMENTS

Annual financial commitments under operating leases at the year end are set out below:

| | 2015 Land and Buildings £ | 2015 Equipment £ | 2014 Land and buildings £ | 2014 Equipment £ |
|--------------------------|------------------------------------|------------------------|------------------------------------|------------------------|
| Expiring: | | | | |
| Within one year | 33,390 | - | 33,390 | - |
| Within two to five years | - | 4,790 | - | 4,790 |
| | <u>33,390</u> | <u>4,790</u> | <u>33,390</u> | <u>4,790</u> |

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

| | Unrestricted funds £ | Restricted funds £ | 2015 Total £ | 2014 Total £ |
|--|----------------------------|--------------------------|------------------------|------------------------|
| Fixed assets | 9,024 | 60,150 | 69,174 | 55,767 |
| Net current assets | 180,001 | 152,613 | 332,614 | 302,340 |
| Creditors due after more than one year | <u>(37,500)</u> | - | <u>(37,500)</u> | <u>(75,000)</u> |
| | <u>£148,487</u> | <u>£212,763</u> | <u>£364,288</u> | <u>£283,107</u> |

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

13. DEFINED BENEFIT PENSION SCHEME BUY-OUT LIABILITY

With effect from 1 September 2012 the charity ceased its membership of the Lothian Pension Fund, a multi-user defined benefit pension scheme, resulting in a cessation valuation liability of £400,000. This liability is payable by instalments and the final instalment is due to be paid by 31 March 2017. The remaining liability is recognised in the financial statements at notes 8 and 9 in accordance with the timing of the schedule of payments agreed with Lothian Pension Fund. Interest at 1% above bank base rate will be payable to Lothian Pension Fund during the payment period.

14. CONTINGENT LIABILITY

The company currently remains in dispute with H M Revenue & Customs as to the VAT treatment of payroll services it provides. If the outcome of these negotiations results in these services being standard rated for VAT purposes, the company will have a liability for VAT which it estimates will be in the region of £79,000 (2014 £60,000), excluding penalties and interest.

15. COMPANY LIMITED BY GUARANTEE

Lothian Centre for Inclusive Living is a company limited by guarantee without a share capital. In the event of the company being wound up the liability of each member is restricted to £1.

16. 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.