

Company number SC129392
Charity number SC017954

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017

BROWN, SCOTT & MAIN

Chartered Accountants and Statutory Auditor

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

CONTENTS	<u>Pages</u>
Company information	2
Report of the directors	3 – 23
Independent auditors' report	24 - 25
Statement of financial activities	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29 - 37

LOTHIAN CENTRE FOR INCLUSIVE LIVING

COMPANY INFORMATION

CONVENOR

Jeff Adamson

OTHER DIRECTORS

Liz Pearston
Louise Doctor
Robert MacPherson
John Ballantine
David Brown
Elizabeth Adamson
Dugald McArthur

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
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 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

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 organization, 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 most significant risk faced by LCiL remains financial uncertainty. 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. In June 2016 our organisation saw all its services (Independent Living Service, Payroll Service and Grapevine) tendered in Edinburgh. The outcome of this tender became clear only in December 2016. LCiL retained the contracts for the Independent Living Service and Grapevine, albeit with different service specifications, less hours of services and less funding. Uncertainty regarding the outcome for the payroll service remained even longer as the new framework agreement could not be signed before March 2017. From April 2017 LCiL's Payroll Support Service is part of a framework with two other mainstream payroll providers which are not based in Edinburgh or the Lothians. Under this new framework CEC provides funding directly to Direct Payment recipients enabling them to purchase payroll support directly from their chosen provider. In previous years CEC funded LCiL's payroll service partly via block funding as part of SLA and partly via funds provided directly to DP recipients. LCiL has changed its charging structure – formerly charging PA Employers based on the number of PAs wages processed, now charging a fixed monthly or four weekly fee to each PA employer. Under the new framework agreement, existing DP recipients are funded at rate charged by LCiL, however at the point where the PA Employer has his care package reviewed, CEC will reduce the level of funding to cover payroll costs to that of the cheapest provider on the framework. From 1st April 2017 all new DP recipients in CEC have been funded at this cheapest rate. As LCiL is based in Edinburgh where generally financial services are significantly more expensive to run, and as it provides a fully accessible and flexible service tailored around the needs of each individual, the organisation is not really in a position to compete with the two other mainstream services, based in Fife and Durham. As a result LCiL is closely monitoring the service and considering its options in the longer term.

Future commissioning and procuring activities in other councils are not clear. To address this LCiL is trying to maintain good and transparent relationships with local authorities and provides regular and reliable information about service delivery and service users' feedback on services received.

In East Lothian our Grapevine Disability Information Service managed to have its grant re-instated for the last half of 2016-17 but was told that the local authority could no longer sustain it beyond this period, along with most other voluntary organisations and community groups in East Lothian.

During the year LCiL was exposed to variable interest rate risk on its defined pension scheme cessation liability as explained more fully at note 12. This risk no longer exists as the final instalment of this liability was paid during the year. LCiL continues to be exposed to potential risk from holding substantial cash at bank. This risk is partly countered by operating accounts at two banks and by the Financial Services Compensation Scheme.

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

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

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

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

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

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):

- Disability Living Allowance is being replaced by the new benefit, the Personal Independence Payment (PIP) for all new claimants.
- Incapacity benefit no longer exists. All claimants have to go through a Work Capability Assessment and move onto Employment Support Allowance or Job Seekers Allowance.
- Housing benefit is severely restricted.
- The whole benefit system will change in Scotland as most of its features will be devolved to the Scottish Government. The Scottish Government gives signs of developing a new inclusive and fair process but what it will actually be able to deliver remains unknown. In the meantime an increasing number of disabled people, people with long term conditions and older people ask for support to deal with the highly confusing and stigmatising system.
- 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. So far very little positive impact is identifiable, while lack of leadership in all statutory sectors, increased bureaucracy, financial issues and silo thinking seem to bring this whole agenda to a halt and prevent effective implementation of Self Directed Support (SDS). In the Lothians it is very difficult to see how the Integrated Joint Board, made up of NHS Lothian, the four local authorities and a number of other representatives, can operate effectively, and indeed be a leading driver for a successful SDS implementation. In reality the Integrated Joint Board, and local authorities within it, are not implementing the SDS Act in the spirit of the legislation and far too few people benefit from it. Through a number of independent reports it is becoming clear that the changes necessary to produce a systemic change in health and social care are simply not happening.
- In addition to its potential wider impact on Scottish politics Brexit is now clouding many of the progresses achieved by and for disabled people, nationally and at European level. Leaving the European Union (EU) raises many questions about the ability of the UK to remain faithful to the human rights agenda led by the EU and to policies protecting the rights of disabled people in particular.

Organisational Structure

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

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

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

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 both local and national levels. 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 some of its member organisations, 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. These meetings also serve as a forum to identify, monitor and evaluate the potential implications of legislative change and government policy.
- 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.

2. Other Organisations

- 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.
- LCIl continues its relationship with NHS Lothian through 2 specific partnerships, supporting people with Chronic Obstructive Pulmonary Diseases (COPD) and carers of people who used to use the reduced Lanfine Unit in Edinburgh.
- During the period LCIl was also a member of the ALLIANCE whose key objective is to collectively represent health condition focused organisations.
- LCIl continued its close working partnership with VOCAL (Voices of Carers Across Lothian) and continued to collaborate with CoEL (Carers of East Lothian).
- In March 2016 LCIl invited the Purple Poncho Players (Glasgow Disability Alliance volunteer actors) to present a challenging performance to a large audience of disabled people and professionals from all sectors. This performance, delivered with humour, demonstrated and challenged the many barriers disabled people met in their daily life. It was a great success.
- In addition, LCIl worked collaboratively with the following organisations: EVOC, Thistle Foundation, In Control Scotland, The Edinburgh Development Group, Action Group, Penumbra, CCPS, Support in Mind, Kindred, Midlothian Voluntary Action, Self Directed Support Scotland, Dunfermline Advocacy, Advocard, FAB, Signpost West Lothian, Disability West Lothian, Capability Scotland, ECAS, CAPS and PASDA. Activities undertaken in conjunction with the foregoing organisations include LCIl providing presentations and delivering SDS workshops, consultation exercises, information exchange enabling reciprocal referrals and joint planning of a national conference.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

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 three fundamental aims of the 2016-18 strategic framework enable LCiL to work toward it.

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

In 2016-17, facing increasing demand across its services, LCiL continued to use its flexible, realistic and transparent service costings to sustain a balanced budget. LCiL aims to achieve full cost recovery funding from LAs and costs its services, hourly rates and unit costs accordingly when discussing future service level agreements.

As mentioned previously, in Edinburgh LCiL had to tender for its three core services, the Independent Living Service, (ILS) the Payroll Service and the Grapevine Disability Information Service. Although it retains the contract for the ILS and Grapevine, for three years, the new payroll framework agreement presents LCiL with a challenge. The LCiL Board and CEO are closely monitoring any impact and are considering a number of scenarios, based on realistic projections, to develop and maintain a sustainable business model. In other Lothian local authorities LCiL has continued to deliver its service on the same funding as the year before. Although funding has been secured for 2017-18 commissioning beyond this is unclear.

LCiL continued to develop and deliver/facilitate tailored training courses for other voluntary and private sector organisations as a means of bolstering its earned income potential, including providing Disability Equality Training (DET) courses to Inclusion Scotland and linking with the Scottish Parliament for potential DET delivery to new MSP(s).

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

LCiL continues to apply to trusts, foundations and take up any other funding opportunities on an ongoing basis. In 2016-17 LCiL raised £23,333 from 9 trusts and foundation, having submitted 109 applications. Funders are Cruden Foundation, Margaret Murdoch Charitable Trust, Agnes Hunter Trust, The Lynn Foundation, Sir James Miller Edinburgh Trust, The Castansa Trust, The Maple Trust, The Ryvoan Trust, and the Rotary Club of Edinburgh Jubilee Charity Fund.

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

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

LCiL continues to offer over 100 factsheets and publications available to download free from its website, including a number of Grapevine resources for people to prepare for benefit claims and challenge decisions. Recognising the role of social media in supporting communication and information LCIl continues to post messages and information through Facebook and twitter with an increasing number of followers.

In the 2016/17 financial year, we saw significant growth in the reach of our online communications through our website and social media channels. We saw a 10% increase in page views and nearly 40% increase in traffic reaching us through social networks such as Facebook and Twitter. In total, over 17,000 users visited the LCIl website during this period.

Primarily this online traffic relates to jobseekers accessing information on Personal Assistant employment opportunities which LCIl advertise on behalf of service users working with the Independent Living Team. The LCIl personal assistant jobs board is the most accessed part of the LCIl website, after the homepage, boasting 20% of all website traffic. Second to this is traffic related to other LCIl services such as Grapevine advice and information service.

50% of all LCIl website traffic was acquired through search engines such as Google, with the most common searches (which were unrelated to the LCIl brand itself) being:

- "Access to work claim form"
- "Personal assistant jobs Edinburgh"
- "PIP Mandatory Reconsideration Letter Template"
- "ESA mandatory reconsideration letter template"

In 2016-17 LCIl also 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. To this end LCIl has purchased and developed a tailored management tool that will enable the organisation to record and process more information, and produce a variety of reports and statistics more easily.

Working toward excellence, services are also continuously reviewing their policies and practice, sharing information and experience with other teams and members of staff so that learning and knowledge is spread across the whole organisation.

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.

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

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

- In 2016-17 LCIl was actively involved in the SDS National Group that sets the national strategic directions with Scottish Government for Self Directed Support.
- LCIl was one of the few organisations approached by Audit Scotland to input in their second review of SDS in Scotland.
- During the period NHS Education approached, and entered into a conversation, with our organisation to lead a workshop within their annual training event. Later in May 2017 LCIl SDS Programme Co-ordinator and one of LCIl's Champions was able to develop a very well received session with GPs who trained other GPs.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

- In March 2017, with SDSS support, LCIl also took the lead in gathering the views of Scottish Disabled People's Organisations (DPOs) about influencing future Scottish Government funding of DPOs. The event led to a meeting with Scottish Government in June 2017 that was very much welcomed by all parties.
- LCIl is regularly approached by national organisations, or statutory bodies, which are keen to hear the views of a DPO on policy developments in the field of health and social care. In this context LCIl is seen to have an important voice.
- In July 2016, in collaboration with SILC, LCIl invited Cabinet Secretary Shona Robison to launch the 'Our shared ambition for the future of social care support in Scotland', a major document co-produced by a large number of national and local voluntary organisations.
- In December 2016 Jeane Freeman, Minister for Social Security and for Disabled People, met with disabled people prior to the debate in the Scottish Parliament on 'A Fairer Scotland for Disabled People: Our Delivery Plan to 2021 for the United Nations Convention on the Rights of Persons with Disabilities', which was published on 2 December 2016 to coincide with the UN international day of persons with disabilities. A group of 13 people gathered to meet Jeane. They represented a wide range of experience of disability (physical impairments, learning difficulties, mental health issues, parent carers) and of LCIl's services (ILT, Grapevine, payroll, peer support groups and workshops, living and work choices) and of independent living (PIP, DLA and ESA, education including university, accessing the NHS, housing, social care support). Jeane spent an hour and a quarter listening to the group

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

- Leading different collaborative initiatives with other organisations on SDS and health and social care integration, LCIl organised a number of different events to influence better practice and forward thinking on these issues in partnership with EVOC or the City of Edinburgh Council (CEC).
- As a result CEC set up a working group aiming at addressing many issues around SDS in a more strategic manner and LCIl was a key member of this group. After two meetings, however, the group seems to have stopped
- In partnership with the Workers Education Association (WEA) LCIl organised an awareness session for the 4 Lothian local authorities on the training needs of disabled people's personal assistants and solutions to address this. It seems that local authorities are reluctant to engage on these issues and even less keen to resource PA employers to encourage self development of the PA workforce.

Through their continuing hard work and commitment to the organisation LCIl's Champions have the potential to make a significant and valuable contribution to the work of the organisation. Regrettably, however, as local authorities, are not engaging actively with LCIl in improving their own SDS policies, practice and development, the Champions have far less opportunities to be involved.

Fully integrated within the three aims above, LCIl continued to deliver its SDS Development Programme (second phase). 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 offers one to one advice at whatever stage an individual has reached on their journey towards Independent Living. The support continues, as required, on an ongoing basis after the SDS options have been set up.

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

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

In 2016-2017

- ILS supported a total of 651 people (100 more than last year) on a one to one basis

Area	Supported Service Users	No of New Referrals
Mid	65	23
West	166	52
East	103	50
CEC	<u>317</u>	<u>92</u>
	<u>651</u>	<u>217</u> (6 less than last year)

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

REPORT OF THE DIRECTORS (CONTINUED)

b. Training and other projects

i. Training service

Having secured funding from Scottish Government (Innovation Fund) and the Robertson Trust for three years (2015-18) 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.

- **Pick & Mix workshops**
 - 2 fact-finding consultations with 28 participants, plus 1 drop-in session reaching 8 people
 - 4 workshops (incl. 1 postponed until April 2017) gathering a total of 40 PA employers, or carers managing care package on behalf of a disabled person to learn about employer responsibilities and basic employment law, and to develop skills to approach “those difficult conversations” with their staff.
 - 1 Food and Safety in the Workplace Course delivered to 6 individuals. The course was co-delivered and co-designed with Greggs the Bakers and tailored specifically for disabled people with learning difficulties or mental health conditions.
 - Disability Equality Training and training to explore the roles and responsibilities involved in PA work. Training was also provided to potential and existing Personal Assistants. All training courses have been designed and developed in conjunction with disabled people and are also delivered by disabled people. During this year two PA courses were organised with 9 people participating, funded by BIG or an Individual Learning Account (ILA).
 - In partnership with the Workers Education Association (WEA) the training service also facilitated two emergency First Aid at Work (12 participants) and one REHIS Elementary Food Hygiene (11 participants) courses.
 - The Training Service was commissioned by Inclusion Scotland, the national Disabled people organisation to provide one full day of Disability Equality Training (DET) with 5 people participating

ii. Living and Work Choices Project

The Living & Work Choices Project, funded by the Big Lottery commenced in 2012 and concluded at end of March 2017. The project’s objective was to give disabled people and people with a long term condition the opportunity to explore new or different ways of being more independent. Every training session was delivered by people with lived experience of disability. All of the training sessions were tailored to match the needs of the participants, making the courses more accessible. After completion of the course the project offered one-to-one support and person centred planning to allow participants the opportunity to transform their individual learning and outcomes into action. In the last year of the project the programme offered:

- 4 x ‘Living & Work Choices’ four-day courses – 29 participants completed the course. In addition, we delivered two taster LWC sessions to 10 young people at New Directions West Lothian.
- 2 x ‘Essential Employers Skills’ three-day courses including a young people’s day – 15 participants completed the course
- The project also offered 2 training for PA’s courses in which 5 places were funded by The Big Lottery.
- A LWC event attended by 24 service users provided an opportunity for everyone to come together to celebrate the projects achievements.
- 80 one to one sessions were delivered to support service users to achieve their goals.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

iii.SDS Development project

Capacity building workshops and peer support groups

Parents and Carers

The parent and carer peer support group met 12 times during the year, and seven workshop sessions were held. Two of these were delivered on behalf of Capability Scotland for parents whose children were affected by the closure of their day centre.

The peer support group asked us to broker a meeting between them and two City of Edinburgh councillors, so that they could give direct feedback about the challenges they faced when trying to access support and respite from the council and this took place in June.

In partnership with Kindred and Housing Options Scotland we designed and ran a one-day event, *Getting it Right for the Future*. This gave parent carers the opportunity to get information about all aspects of their child moving out of the family home. The feedback on the event was very positive; 37 parents attended, 10 of whom were new to LCiL.

We worked with a total of 46 parents during the year.

During this period we also carried out an evaluation of our work with parent carers, and distributed the report on this, including running workshops on it at the SDSS AGM and as part of an In Control event for children and families managers and practitioners from local authorities across Scotland.

Disabled people/people with long term conditions

We continued to deliver the three workshops designed in the previous period: Know Your Rights; Assertive Communication, and; Have You Tried God, or Snake Venom? (aimed at giving people strategies for dealing with inappropriate or 'helpful' comments about their impairment or condition).

During this period we ran 12 workshop sessions and 10 monthly peer support group sessions. Enough people attended the peer support group from West Lothian to make it feasible to set up an additional group there, and this has met since August 2016, seven times during this period.

As the peer support groups progressed it became clear that there was appetite for working on certain topics more deeply than is possible in an open, monthly session. We designed and piloted a six-session, closed peer support group, *Getting Unstuck*, (a topic chosen by the participants) which received positive feedback and provided the blueprint for future linked peer support groups.

We worked with 49 disabled people/people with long-term conditions during the year, and ran a total of 35 workshop or peer support sessions.

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

The Champions Programme

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

During its fourth year of operation the programme continued to be an integral part of LCiL, particularly by offering input to capacity building workshops and peer support groups. This was the main focus for the Champions.

During this period Champions:

- Took part in 29 events, of which 11 were LCiL workshops for disabled people or parent carers where Champions either spoke about their lived experience of the topic or co-facilitated the session.
- Met together six times during the year to share learning and offer each other peer support

When the Champions programme began it was the intention to recruit and train a second group. However, the change in focus (mainly due to changes in engagement from local authorities) meant that this was not appropriate. Instead, a new group of **one-to-one peer supporters** was recruited and trained.

Two people (a parent carer and a Champion) who had previously participated in facilitation skills training co-designed and co-delivered (alongside LCiL staff) the four-day one-to-one peer support training for six volunteer peer supporters. This training ran in September, and the first one-to-one peer support matches were made in October. In March, at the instigation of the peer supporters, they and six members of LCiL staff from across services participated in a nationally accredited Mental Health First Aid training course. The one-to-one peer supporters met for group support and supervision twice, and met jointly with the Champions once during this period.

Work with LCiL staff

As well as commissioning the Mental Health First Aid training, the SDS programme co-ordinator also worked with a member of Personal Outcomes Partnership staff to tailor and deliver a two-day training course, *Good Conversations*, in which all LCiL staff participated. The course is aimed at giving people improved skills in person-centred, outcomes focussed conversations.

- *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 for disabled employers. During the 2016-17 year, the demand for the service grew by 17%.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

A total of 687 disabled employers made use of the payroll service. Of these 687 service users 168 of them also access the Financial Management Service. The following table gives a breakdown by Local Authority

Local Authority	Payroll only	Payroll & FMS	Total	New SUs	Ceased
Edinburgh	277	78	355	77	48
East Lothian	56	31	87	27	12
Midlothian	80	22	102	20	14
West Lothian	100	37	137	29	16
Private/ Other	6	0	6	1	2
TOTAL	519	168	687	154	92

In addition to those detailed in the table a further 27 (non-payroll) service users also accessed the FMS to engage with agency support and or make other payments from their SDS budgets

Regional breakdown: No of service users

Edinburgh	23
East Lothian	1
Midlothian	2
West Lothian	1

The roll out of Pension Auto Enrolment to payroll service users gathered significant pace over the course of the year. At March 2016 a total of 36 service users were set up with pension provider/s with workforce assessments undertaken monthly/4 weekly on their behalf.

These numbers increased over the year with further

17 SU reaching staging dates between Apr- June

25 SU reaching staging dates between July – Sept

20 SU reaching staging dates between Oct – Dec

57 SU reaching staging dates between Jan – March 2017

TOTAL no of SUs support with Pension Auto enrolment over the year was 155.

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

Grapevine Disability Information/Advice

The Lothian Centre for Inclusive Living Grapevine Information and Advice service continued to have a strong year in 2016 – 2017 with 773 unique service users advised covering 1204 enquiries. This compares with 783 service users and 1194 enquiries in the previous financial year. During this year Grapevine achieved a significant financial gain of over £200,000 (via welfare benefits) for service users, and increased the number of service users seen through face to face appointments.

The Grapevine service continues to provide advice and information primarily by phone and email, though it has seen an increased number of service users for face to face appointments and group talks.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

2016 – 2017 Statistics

	City of Edinburgh	East Lothian	Other	Total
Service Users	634	38	101	773
Enquiries	1,038	53	113	1,204
Issues Recorded	3,910	168	260	4,338

In this financial year, Grapevine achieved a 17% increase in the number of face to face interviews, and a 44% increase in the number of group talks carried out.

	City of Edinburgh	East Lothian	Other	Total
Face to Face Interviews	166	1	8	175

	City of Edinburgh	East Lothian	Other	Total
Group Talks	51	3	0	54

2016 -2017 marked the first year in which Grapevine systematically recorded service user financial gain. Recording this information allows us to demonstrate the significant value of the grapevine service and to better understand the outcomes we achieve with the service users we support.

	City of Edinburgh	East Lothian	Other	Total
Service Users with Financial Gain	36	3	1	40
Financial Gain	£185,408	£17,399	£5,403	£208,210

Phone continued to be the primary means by which service users contact Grapevine seeking advice. We also saw a significant number of email enquiries in this year.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Contact Method	City of Edinburgh	East Lothian	Other	Total
Email	230	19	40	289
Internal	5	1		6
Letter	16		3	19
Online	9	1	14	24
Phone	563	28	46	637
Talk	51	3		54
Visit	166	1	8	175
Grand Total	1,040	53	111	1,204

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Advice Topics Breakdown:

Total Issues: Local Authority

Issue	Edinburgh	East Lothian	Other	Total
Access to Services	245	12	17	274
DLA / PIP / AA / SDP	652	23	38	713
Education	32		7	39
Employment	95	4	11	110
Equipment	112	3	4	119
Grants & Trusts	108	4	6	118
Grapevine News / Pubs	179	13	29	221
Holidays Leisure	77	1	3	81
Housing	184	8	3	195
IB /ESA / WCA / IS	178	4	7	189
Legal rights & complaints	195	15	19	229
Money	607	27	36	670
Other Benefits	429	12	23	464
Personal Health	314	12	7	333
Self-Directed Support	76	12	14	102
Social Work	134	11	15	160
Transport	120	1	2	123
Vol Orgs	173	6	19	198
Total	3,910	168	260	4,338

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Face to Face Appointments Advice Issues: All Local Authorities

Issue	Edinburgh	East Lothian	Other	Total
Access to Services	72			72
DLA / PIP /AA / SDP	140	1	7	148
Education	7			7
Employment	27			27
Equipment	44			44
Grants & Trusts	27			27
Grapevine News / Pubs	39		3	42
Holidays Leisure	26			26
Housing	68			68
IB /ESA / WCA / IS	38			38
Legal rights & complaints	52			52
Money	136	1	2	139
Other Benefits	92		4	96
Personal Health	85			85
Self-Directed Support	23		1	24
Social Work	40			40
Transport	40		1	41
Vol Orgs	40		1	41
Total	996	2	19	1,017

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Comparison to Previous Year

Total Issues Recorded sorted by % change

Issues	2015 - 2016	2016 - 2017	% Change
Grants & Trusts	92	118	28%
Grapevine News / Pubs	174	221	27%
Legal rights & complaints	186	229	23%
IB /ESA / WCA / IS	173	189	9%
DLA / PIP /AA / SDP	673	713	6%
Holidays Leisure	81	81	0%
Money	688	670	-3%
Other Benefits	493	464	-6%
Personal Health	378	333	-12%
Transport	142	123	-13%
Equipment	143	119	-17%
Employment	138	110	-20%
Housing	248	195	-21%
Access to Services	368	274	-26%
Self-Directed Support	145	102	-30%
Vol Orgs	298	198	-34%
Social Work	243	160	-34%
Education	73	39	-47%

Service User Feedback

Survey Responses

Grapevine service users surveyed between November 2016 and March 2017 were asked:

“How helpful was the advice and information you received from the Grapevine service?”

- 100% stated the service was very helpful

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

“Would you use the Grapevine Service again if you needed information and advice on a disability issue?”

- Definitely: 83%
- Very Likely: 17%

“Since using the Grapevine Information Service, how much more aware are you of your entitlement to benefit, services and support?”

- A Lot more: 53%
- A little bit: 23%
- The same: 23%

Service User Quotes

“[Grapevine] made a big difference to me by relieving the stress and anxiety of trying to fill out a form properly. I understood the question in the form better with him explaining the question therefore could give a better honest answer. The adviser that helped us fill in the form was very professional... He made us feel very welcomed and relaxed taking the stress out of having to go through the form and having to answer the questions that was in the form.” Grapevine Service User

“Was able to apply for PIP. The form would have defeated me. Service provided is excellent.” Grapevine Service User

FINANCIAL REVIEW

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

LCiL’s withdrawal from the Lothian Pension Fund has enabled the organisation to make quite significant savings over the years and should allow it to compete more favourably in the future market place. 2016-17 saw the last repayment (£37,500) of the cessation fees.

At 31 March 2017 the charity’s reserves were £328,130 (2016 £298,620) comprising an accumulated surplus on unrestricted funds of £312,269 (2016 £242,227) and an accumulated surplus on restricted funds of £15,861 (2016 £56,393). The financial statements have been prepared on the going concern basis. The directors consider that this is appropriate as the charity meets its day to day working capital requirements as they fall due and expects to be able to continue to do so.

Principal Funding Sources – 2016/17

The City of Edinburgh Council remains the most significant funder for LCiL’s core services (i.e. Independent Living and the Grapevine – Disability Information Service). East, West and Midlothian Councils have awarded 1 year funding again to the Independent Living Service (with no uplift from last year). East Lothian Council stopped funding the Grapevine Service due to extreme financial pressures on the local authority.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

In Edinburgh the Independent Living Service and Grapevine were funded by the renewed service level agreement (SLA) up to the end of December 2016. They were then funded by the new contract awarded by City of Edinburgh Council as the result of the successful tender. The payroll service continued to be funded under the former SLA up to the end of April 2017. At this point LCiL no longer received funding from the local authority for this service, and existing and new service users were required to purchase their payroll service directly from a payroll provider of their choice under a new framework. East Lothian and Midlothian provided full funding to DP recipients who then purchased payroll support directly from LCIL. West Lothian DP Recipients commenced direct purchase of payroll support from 1st April 2017.

Restricted Funds

- BIG – the five-year funding for Living & Work Choices Project ended in March 2017. The transfer of £11,128 from the BIG restricted fund to the unrestricted general fund disclosed at note 9 represents the correction of an omitted contribution to core activity costs for the year ended 31 March 2016. BIG also agreed that the residual balance of £3,419 could be used towards LCIL central costs. On this basis all funds received were fully spent.
- Change Fund - A further year's funding granted under "Innovation Fund" was awarded and fully spent in supporting older people to increase their take up of SDS.
- SG Database –LCiL pulled out of this development project in June 2016 due to lack of progress, remaining unspent funds were returned to GCIL.
- SG Support in the Right Direction (SiRD) – Second year funding of three-year programme, from Scottish Government was used to provide training, development and peer support for disabled people, people with long-term conditions and parents and carers.
- SG Innovation Fund – Second year of three-year programme from Scottish Government providing funding to employ a Training officer to deliver range of Pick'n 'Mix courses to disabled people. The cost of delivering these courses was funded by the Robertson Trust (separate restricted fund). The Robertson Trust continues to support this work until end March 2018.
- NHS COPD – Further 1 year contract awarded to continue provision of home visits to isolated individuals with chronic obstructive pulmonary disease.
- Agnes Hunter Trust – funding awarded in January 2017 only partially spent in current year. Balance will be carried forward to extend LCIL's home visiting advice and information service, isolated disabled people and older people who cannot currently access independent, specialist advice and information as they are unable to leave their homes.
- The Maple Trust – Funds from this Trust were awarded in March 2017 to go towards the cost of extending delivery of Grapevine information service from 4 to 5 days per week.

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 further 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.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Reserves Policy

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

PLANS FOR THE FUTURE

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

DIRECTORS

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

Jeff Adamson	Convenor
Liz Pearston	Treasurer
Louise Doctor	
Colin Cameron	resigned 30 April 2016
Suselle Boffey	died 14 July 2016
Robert MacPherson	
John Ballantine	
David Brown	elected December 2016
Elizabeth Adamson	elected December 2016
Dugald McArthur	elected December 2016

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

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 2017 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 2017 and is in force now.

BASIS OF PREPARATION

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

ON BEHALF OF THE BOARD:



E L PEARSTON, DIRECTOR
17 October 2017

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 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes on pages 26 to 37 inclusive. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 (effective 1 January 2015).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company'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 charitable company, 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 out on page 22, the directors (who are also the trustees of the charitable company for the purposes of charity law) 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the 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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

LOTHIAN CENTRE FOR INCLUSIVE LIVING

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

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.

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; or
- the directors were not exempt 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

17 October 2017

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 2017

	<u>Notes</u>	<u>Unrestricted</u> <u>funds</u> £	<u>Restricted</u> <u>funds</u> £	<u>2017</u> <u>Total</u> £	<u>2016</u> <u>Total</u> £
Income from:					
Donations and legacies					
Donations		<u>923</u>	<u>-</u>	<u>923</u>	<u>821</u>
Income from investments					
Bank interest		<u>157</u>	<u>-</u>	<u>157</u>	<u>393</u>
Income from charitable activities					
Grants	3	285,812	272,521	558,333	525,965
Service level agreements	3	79,255	7,795	87,050	97,676
Payroll and financial management fees		175,113	-	175,113	147,190
Consultancy fees and other income		<u>3,887</u>	<u>-</u>	<u>3,887</u>	<u>7,036</u>
		<u>544,067</u>	<u>280,316</u>	<u>824,383</u>	<u>777,867</u>
Total income		<u>545,147</u>	<u>280,316</u>	<u>825,463</u>	<u>779,081</u>
Expenditure on:					
Raising funds		6,312	-	6,312	1,941
Charitable activities		<u>479,921</u>	<u>309,720</u>	<u>789,641</u>	<u>842,808</u>
Total expenditure	5	<u>486,233</u>	<u>309,720</u>	<u>795,953</u>	<u>844,749</u>
Net income/ (expenditure)		58,914	(29,404)	29,510	(65,668)
Transfers between funds		11,128	(11,128)	-	-
Net movement in funds		70,042	(40,532)	29,510	(65,668)
Reconciliation of funds:					
Total funds brought forward	9	<u>242,227</u>	<u>56,393</u>	<u>298,620</u>	<u>364,288</u>
Total funds carried forward	9	<u>£312,269</u>	<u>£15,861</u>	<u>£328,130</u>	<u>£298,620</u>

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

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

The notes on pages 29 to 37 form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING

BALANCE SHEET AS AT 31 MARCH 2017

Company number SC129392

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		£	£
Fixed assets			
Tangible assets	6	<u>13,216</u>	<u>17,460</u>
Current assets			
Debtors	7	37,432	49,238
Cash at bank and in hand		<u>318,342</u>	<u>315,411</u>
		<u>355,774</u>	<u>364,649</u>
Liabilities			
Creditors falling due within one year	8	<u>40,860</u>	<u>83,489</u>
Net current assets		<u>314,914</u>	<u>281,160</u>
Total assets less current liabilities		328,130	298,620
Creditors falling due after one year		-	-
Net assets		<u>£328,130</u>	<u>£298,620</u>
Funds of the charity:			
Unrestricted income funds	9	312,269	242,227
Restricted income funds	9	<u>15,861</u>	<u>56,393</u>
		<u>£328,130</u>	<u>£298,620</u>

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

The financial statements on pages 26 to 37 were approved by the Board of Directors on 17 October 2017 and signed on its behalf by:



E L PEARSTON
DIRECTOR



DIRECTOR

The notes on pages 29 to 37 form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	18	44,501	35,370
Cash flows from investing activities:			
Purchase of tangible fixed assets		(4,070)	(17,245)
Cash flows from financing activities:			
Repayments of borrowing		(37,500)	(37,500)
Change in cash and cash equivalents in the reporting period		2,931	(19,375)
Cash and cash equivalents at the beginning of the reporting period		315,411	334,786
Cash and cash equivalents at the end of the reporting period	17	<u>£318,342</u>	<u>£315,411</u>

The notes on pages 29 to 37 form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

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

INCOME

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

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

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

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

FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are funds which the donor or funder has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity. Further information about specific restricted funds is provided at page 21 of the report of the directors. The charity had nine restricted funds during the year: BIG, EVOC Change Fund, Scottish Government Database, Scottish Government Right Direction, Scottish Government Innovation (training), Robertson Trust (training), Agnes Hunter Trust, The Maple Trust and NHS COPD.

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

EXPENDITURE

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

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

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

1. ACCOUNTING POLICIES (Continued)

OPERATING LEASES

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

TANGIBLE FIXED ASSETS

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

FINANCIAL INSTRUMENTS

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

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

Basic Financial Assets

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

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

Basic Financial Liabilities

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

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.

TAXATION

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

GOING CONCERN

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

2. NET INCOMING/ (OUTGOING) RESOURCES FROM ORDINARY ACTIVITIES

	2017 £	2016 £
Net incoming/ (outgoing) resources from ordinary activities is stated after charging:		
Depreciation	8,314	8,809
Provision for diminution in value of asset under construction	-	60,150
Operating lease charges – land and buildings	33,389	33,389
Operating lease charges – office equipment	5,198	5,198
Interest on defined benefit pension cessation liability	469	1,125
Auditors' remuneration for audit services	4,500	5,500
Auditors' remuneration for non-audit services	<u>1,000</u>	<u>1,000</u>

3. GRANT AND SERVICE LEVEL AGREEMENT INCOME

	2017 Unrest- ricted £	2017 Rest- ricted £	2017 Total £	2016 Unrest- ricted £	2016 Rest- ricted £	2016 Total £
Government grants						
Scottish Government	-	153,783	153,783	-	130,153	130,153
City of Edinburgh Council	240,473	-	240,473	242,592	-	242,592
East Lothian Council	<u>35,384</u>	<u>-</u>	<u>35,384</u>	<u>42,200</u>	<u>-</u>	<u>42,200</u>
	<u>275,857</u>	<u>153,783</u>	<u>429,640</u>	<u>284,792</u>	<u>130,153</u>	<u>414,945</u>
Other grants						
BIG Lottery Fund	-	87,395	87,395	-	83,250	83,250
Agnes Hunter Trust	-	9,683	9,683	-	-	-
Maple Trust	-	2,500	2,500	-	-	-
Cruden Foundation	500	-	500	-	-	-
Margaret Murdoch Trust	1,900	-	1,900	-	-	-
Lynn Foundation	500	-	500	-	-	-
EVOC Change Fund	-	11,660	11,660	-	11,660	11,660
James Miller Trust	250	-	250	-	-	-
Robertson Trust	-	7,500	7,500	-	7,500	7,500
Employment Service	<u>6,805</u>	<u>-</u>	<u>6,805</u>	<u>8,610</u>	<u>-</u>	<u>8,610</u>
	<u>9,955</u>	<u>118,738</u>	<u>128,693</u>	<u>8,610</u>	<u>102,410</u>	<u>111,020</u>
Total grants	<u>£285,812</u>	<u>£272,521</u>	<u>£558,333</u>	<u>£293,402</u>	<u>£232,563</u>	<u>£525,965</u>
Service level agreements						
West Lothian Council	54,192	-	54,192	59,261	-	59,261
Midlothian Council	25,063	-	25,063	30,620	-	30,620
NHS COPD	<u>-</u>	<u>7,795</u>	<u>7,795</u>	<u>-</u>	<u>7,795</u>	<u>7,795</u>
	<u>£79,255</u>	<u>£7,795</u>	<u>£87,050</u>	<u>£89,881</u>	<u>£7,795</u>	<u>£97,676</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Details of staff costs are as follows:		
Gross salaries	461,227	474,574
Redundancy pay	7,185	-
Employer's national insurance	36,871	40,203
Defined contribution pension scheme cost	<u>24,556</u>	<u>26,753</u>
	<u>£529,839</u>	<u>£541,530</u>

No remuneration was paid to directors during the year (2016 nil).

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

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

During the year the company paid no training fees (2016 £420) to Jeff Adamson, director and travel expenses totalling £90 (2016 £266) on behalf of one (2016 one) director.

Employee and employer contributions totalling £2,952 (2016 £3,379) were payable to the defined contribution scheme at the year-end.

Key management personnel comprises the Chief Executive and Operations Co-ordinator. During the year key management personnel remuneration totalled £64,899 (2016 £64,898) and employer pension contributions totalled £5,192 (2016 £5,192).

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

5. TOTAL EXPENDITURE

	RF	ILS	GV	TR	BIG	AGHU	SGRD	CH	SGDA	NHS	GO	2017	2016
	£	£	£	£	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities													
Staff costs	4,228	253,650	46,396	15,952	50,730	1,734	76,234	8,320	-	6,737	-	463,981	475,344
Recruitment	2,084	9,470	1,434	-	25	-	143	-	-	-	-	13,156	6,905
Audit fee	-	-	-	-	-	-	-	-	-	-	5,500	5,500	6,500
Volunteer expenses	-	49	-	-	-	-	-	-	-	-	61	110	50
Management committee training	-	-	-	-	-	-	-	-	-	-	-	-	727
Service delivery costs	-	4,927	615	4,398	15,332	-	37,223	-	-	-	-	62,495	79,183
Provision for diminution in value of web based database	-	-	-	-	-	-	-	-	-	-	-	-	60,150
Transfer of web based database to Glasgow Centre for Inclusive Living	-	-	-	-	-	-	-	-	20,199	-	-	20,199	-
Payroll fees bad debts	-	333	-	-	-	-	-	-	-	-	-	333	345
	<u>6,312</u>	<u>268,429</u>	<u>48,445</u>	<u>20,350</u>	<u>66,087</u>	<u>1,734</u>	<u>113,600</u>	<u>8,320</u>	<u>20,199</u>	<u>6,737</u>	<u>5,561</u>	<u>565,774</u>	<u>629,204</u>
Support costs allocated to activities [basis of allocation]													
Staff costs [staff time]	-	55,350	18,319	-	-	326	8,344	3,140	-	709	-	86,188	88,708
Premises costs [floor area; per capita]	-	21,713	2,444	1,590	6,672	-	4,511	-	-	-	-	36,930	36,135
Consultant fees and temporary staff [time]	-	37,997	6,487	-	-	-	1,089	-	-	-	-	45,573	8,511
Office and administration [usage; per capita]	-	31,858	5,839	1,065	3,642	135	8,237	200	-	349	-	51,325	71,240
Bank charges [usage; per capita]	-	1,371	9	-	-	-	-	-	-	-	-	1,380	1,017
Contribution (from)/ to projects and core activities	-	(20,327)	(10,092)	-	11,127	-	19,292	-	-	-	-	-	-
Interest on LPF cessation liability [historic staff time]	-	399	70	-	-	-	-	-	-	-	-	469	1,125
Depreciation [usage; per capita]	-	5,142	907	-	2,265	-	-	-	-	-	-	8,314	8,809
	<u>-</u>	<u>133,503</u>	<u>23,983</u>	<u>2,655</u>	<u>23,706</u>	<u>461</u>	<u>41,473</u>	<u>3,340</u>	<u>-</u>	<u>1,058</u>	<u>-</u>	<u>230,179</u>	<u>215,545</u>
	<u>6,312</u>	<u>401,932</u>	<u>72,428</u>	<u>23,005</u>	<u>89,793</u>	<u>2,195</u>	<u>155,073</u>	<u>11,660</u>	<u>20,199</u>	<u>7,795</u>	<u>5,561</u>	<u>795,953</u>	<u>844,749</u>

Amounts classified above as staff costs includes employment costs of £529,839 (2016 £541,350) as disclosed at note 4 and also staff travel and training costs.

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

RF	Costs of raising funds	ILS	Independent Living Services	GV	Grapevine
TR	Training (Scottish Government Innovation & Robertson Trust)	BIG	BIG Lottery Fund	AGHU	Agnes Hunter Trust
SGRD	Scottish Government Right Direction	CH	EVOC Change	SGDA	Scottish Government Database
NHS	NHS COPD	GO	Governance		

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings and office equipment £	Asset in the course of construction £	Total £
COST			
At 1 April 2016	66,874	60,150	127,024
Additions	4,070	-	4,070
Disposals	(2,175)	(60,150)	(62,325)
At 31 March 2017	<u>68,769</u>	<u>-</u>	<u>68,769</u>
DEPRECIATION			
At 1 April 2016	49,414	60,150	109,564
Charge for year	8,314	-	8,314
Disposals	(2,175)	(60,150)	(62,325)
At 31 March 2017	<u>55,553</u>	<u>-</u>	<u>55,553</u>
NET BOOK VALUE			
At 31 March 2017	<u>£13,216</u>	<u>£-</u>	<u>£13,216</u>
At 31 March 2016	<u>£17,460</u>	<u>£-</u>	<u>£17,460</u>

The asset in the course of construction was 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. During the year this asset was transferred to Glasgow Centre for Inclusive Living without being brought into use.

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

7. DEBTORS	2017	2016
Amounts falling due within one year:	£	£
Accrued income	26,240	29,814
Prepayments	11,192	10,729
Other debtors	-	8,695
	<u>£37,432</u>	<u>£49,238</u>

8. CREDITORS AND ACCRUED CHARGES

Amounts falling due within one year:		
Payroll taxes	9,212	11,009
Accruals and deferred income	29,954	34,980
Defined benefit pension scheme cessation liability (note 12)	-	37,500
Other creditors	1,694	-
	<u>£40,860</u>	<u>£83,489</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

9. MOVEMENT ON FUNDS

	At 01/04/16 £	Income £	Expenditure £	Net movement £	Transfers £	At 31/03/17 £
Restricted Funds:						
BIG	16,945	87,395	(89,793)	(2,398)	(11,128)	3,419
EVOC Change Fund	-	11,660	(11,660)	-	-	-
Scottish Govt. Database	20,199	-	(20,199)	(20,199)	-	-
Scottish Govt. Right Direction	19,249	137,629	(155,073)	(17,444)	-	1,805
Scottish Govt. Innovation	-	16,154	(15,952)	202	-	202
Robertson Trust Training	-	7,500	(7,053)	447	-	447
Agnes Hunter Trust	-	9,683	(2,195)	7,488	-	7,488
The Maple Trust	-	2,500	-	2,500	-	2,500
NHS COPD	-	7,795	(7,795)	-	-	-
Total restricted	<u>56,393</u>	<u>280,316</u>	<u>(309,720)</u>	<u>(29,404)</u>	<u>(11,128)</u>	<u>15,861</u>
Unrestricted Funds:						
Undesignated funds						
General fund	242,227	545,147	(486,233)	58,914	11,128	312,269
Total undesignated	<u>242,227</u>	<u>545,147</u>	<u>(486,233)</u>	<u>58,914</u>	<u>11,128</u>	<u>312,269</u>
Total unrestricted	<u>242,227</u>	<u>545,147</u>	<u>(486,233)</u>	<u>58,914</u>	<u>11,128</u>	<u>312,269</u>
TOTAL FUNDS	<u>£298,620</u>	<u>£825,463</u>	<u>£(795,953)</u>	<u>£29,510</u>	<u>£ -</u>	<u>£328,130</u>

The transfer of £11,128 from the BIG restricted fund to the unrestricted general fund represents the correction of an omitted contribution to core activity costs for the year ended 31 March 2016.

Further information on the purpose of specific restricted funds is provided at page 21 of the report of the directors.

10. LEASE AGREEMENTS

Minimum lease payments under operating leases fall due as follows:

	2017 Land and buildings £	2017 Office equipment £	2016 Land and buildings £	2016 Office equipment £
Within one year	16,695	3,899	16,695	5,198
Between one and five years	-	-	-	3,899
After five years	-	-	-	-
	<u>£16,695</u>	<u>£3,899</u>	<u>£16,695</u>	<u>£9,097</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Fixed assets	13,216	-	13,216	17,460
Net current assets	299,053	15,861	314,914	281,160
Creditors due after more than one year	-	-	-	-
	<u>£312,269</u>	<u>£15,861</u>	<u>£328,130</u>	<u>£298,620</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

12. 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 was payable by instalments and the final instalment was paid by 31 March 2017. Interest at 1% above bank base rate was paid to Lothian Pension Fund during the payment period.

13. 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 £130,000 (2016 £102,000), excluding penalties and interest.

14. ENTITY INFORMATION

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

15. 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.

16. CUSTODIAN ASSETS

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

At 31 March 2017 these client account balances totalled £1,187,510 (2016 £972,890). Those client balances and the transactions on each client bank account during the year have not been included in these financial statements. Income from financial management services provided during the year ended 31 March 2017 is included in these financial statements within income from charitable activities.

17. CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash at bank and in hand	<u>£318,342</u>	<u>£315,411</u>

18. CASH FLOWS FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income/ (expenditure) for the reporting period	29,510	(65,668)
Depreciation	8,314	8,809
Provision for diminution in value of web based database	-	60,150
Decrease in debtors	11,806	14,335
(Decrease)/ increase in creditors	<u>(5,129)</u>	<u>17,744</u>
	<u>£44,501</u>	<u>£35,370</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

19. TRANSITION TO FRS 102

These financial statements are the company's first prepared in accordance with FRS 102. The transition to FRS 102 has not resulted in any material changes in the company's accounting policies compared to those applied previously and has not resulted in any material changes to the company's net movement in funds presented previously. It has not been necessary to restate comparative amounts to comply with the accounting policies selected in accordance with FRS 102.