

Company number SC129392
Charity number SC017954

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

BROWN, SCOTT & MAIN

Chartered Accountants and Statutory Auditor

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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LOTHIAN CENTRE FOR INCLUSIVE LIVING

COMPANY INFORMATION

CONVENOR

Jeff Adamson

OTHER DIRECTORS

Liz Pearston
Louise Doctor
John Ballantine
David Brown
Elizabeth Adamson
Dugald McArthur
Balkishan Agrawal

CHIEF EXECUTIVE

Florence Garabedian

TREASURER

Liz Pearston

REGISTERED OFFICE

Norton Park Centre
57 Albion Road
Edinburgh

AUDITORS

Brown, Scott & Main
91 West Savile Terrace
Edinburgh

BANKERS

Clydesdale Bank PLC
Edinburgh

Co-operative Bank
Manchester

Barclays Bank UK PLC
London

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 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Organisational Structure

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

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

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 9 directors and a minimum of 6. As a user-led disability organisation, at least 51% of the directors must be disabled people and the Convenor must always be a disabled person. In this way, the Board ensures that the needs of its service-users are appropriately reflected through the diversity of the directors.

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

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

Recruitment, Induction and Training of Directors

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

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

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

Risk Management

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

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

All 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

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.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

OBJECTIVES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

Purpose and activities

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

To this end the aims of LCiL are:

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

The Objectives of the organisation are:

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

Review of the year - strategy

Independent Living remains at the heart of everything LCiL does and the three fundamental aims of the 2016-18 strategic framework, extended to 2018-19, enabled LCiL to work toward it, focusing activity on the organisation's overall aims and objectives.

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

In 2018-19, facing increasing demand across its services, LCiL continued to use its flexible, realistic and transparent service costings to attempt to sustain a balanced budget. LCiL aims to achieve full cost recovery funding from LAs and costs its services, hourly rates and unit costs accordingly when discussing future service level agreements.

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

The continued Support in the Right Direction (SiRD) Scottish Government grant enabled LCiL to run the Self Directed Support (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, the Peer Support Programmes and training to disabled PA employers.

LCiL continues to apply to trusts, foundations and to take up any other funding opportunities on an ongoing basis. In 2018-19 LCiL raised funds from 13 corporates, trusts and foundations, having submitted 36 applications between 1st April 2018 and 31st March 2019. Funds recognised as income during the year ended 31st March 2019 were from the following organisations: The JTH Charitable Trust, Miss I F Harvey's Charitable Trust, Saints & Sinners Club of Scotland, The James Sim Trust, The John Kirkhope Young Endowment Fund, The Nimar Charitable Trust, The Hugh Fraser Foundation, The Broughton Charitable Trust and The Kuenssberg Charitable Foundation. Funds received from The Agnes Hunter Trust, The Souter Charitable Trust, The Maple Trust and The Stafford Trust have been recognised as income deferred to the next financial year.

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

REPORT OF THE DIRECTORS (CONTINUED)

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

During the year LCIl produced its Service Users' satisfaction survey. With outstanding satisfaction rates the organisation can be confident that it maintains its standards of excellence e.g. 92% of the people surveyed said that they agree or strongly agree with the statement 'I value the work of LCIl and would recommend the organisation to others'. 92% also said that they agreed or strongly agreed that it was important to them that LCIl remains a one-stop shop (provides all services as one organisation). We are not, however, complacent and monitor on an ongoing basis how well we respond to people's demand and expectations. Working toward excellence, services are also continuously reviewing their policies and practice, sharing information and experience with other teams and members of staff so that learning and knowledge is spread across the whole organisation

LCiL fully prepared itself for the implementation of the European GDPR legislation in advance of the compliance date. Like many other voluntary organisations, however, LCIl had to invest a lot of time and resources to ensure that the organisation was fully compliant while also being fully engaged in informing its service users on the impact GDPR had on data sharing and management.

Furthermore, the organisation successfully engaged in the Cyber Essential Accreditation bringing an even higher level of security to its systems and data retention.

In March 2018, starting with a very well attended event, LCIl engaged with its users to further their input and help shape the future organisation strategic framework. This was followed by a similar event in April 2018 gathering professionals from statutory and voluntary sectors. During most of 2018-19, consulting staff and the Board of LCIl further, services and projects of the organisation developed their plans in line with the new strategic framework.

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

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

LCiL continues to be involved in significant national developments and is recognised in its field. In June 2018 LCIl was asked by the Scottish Government to host the event where the newly successful organisations funded by the Support in the Right Direction (SiRD) were announced. Although the Minister could not attend due to a Scottish Government reshuffle on the same day, Scottish Government representatives attended and took time to meet service users who fully engaged with the Government representative.

Locally the organisation is also actively sought by other voluntary organisations or statutory bodies to be involved in ad hoc or ongoing policy developments. After being interviewed for one of the positions LCIl CEO was accepted on the Edinburgh Social Care Partnership Strategic Commissioning Plan Reference Group Learning and Physical Disability Services. This is one example of LCIl taking a very collaborative approach to its work and is able to develop and maintain useful relationships and partnerships.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Review of the year by services

The Independent Living Service (ILS)

ILS is 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 2018-2019 the ILS supported a total of 663 people (18 more than last year) on a one to one basis

Supported Service		No of New Referrals
Users		
Midlothian	67	18
West Lothian	128	45
East Lothian	97	16
Edinburgh	371	164
TOTAL	663	243

ILS worked with a number of organisations in different ways including EVOC, VOCAL Midlothian and VOCAL Edinburgh, Midlothian Council, East Lothian Council's SDS Project Team, Scottish Government, Disclosure Scotland, RNIB, SDSS and Citadel Youth Centre.

The Training Service

Having secured a 6 month extension from Scottish Government (Innovation Fund) the Training Service continued to provide during this period a variety of courses to PA employers, 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.

During this period LCIl was approached by Inclusion Scotland, the national Disabled People's Organisation (DPO) in Scotland, which works closely with the Scottish Government on policy developments, to deliver Disability Equality Training (DET) to a group of 12 civil servants.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

SDS Development Programme - Capacity building workshops and peer support groups

Parents and Carers

42 people were involved in at least one of the 20 parent and carer peer support group meeting (average of 5 people per session) during the year.

A minimum of 50 Disabled people/people with long term conditions were involved in at least one of the 48 peer support and workshop sessions for disabled people and people with long term condition (average of 6 people per session) including 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). Support was also provided to a number of Disabled people through 5 PA Employer 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.

The Champions Programme

Using funding from Scottish Government SDS Development programme (the project co-ordinator is the SDS programme co-ordinator), the project began training a new cohort of 9 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. This training was due to be completed in April 2019.

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

The Payroll Service

LCiL offers a comprehensive, computerised payroll service for disabled personal assistant employers which also provides a link with the HMRC and operates as a helpline for disabled employers. This service is critical to them and is in line with our person-centred approach whereby we enable disabled employers to meet this particular area of responsibility, which can be challenging in addition to their managerial role. During the 2018-19 year, the demand for the service grew by 2.2%.

The service also offers extra support with financial management for individuals who prefer our organisation to also make payments. It is very important for our organisation that disabled people, who may not have the capacity to deal with payments, still benefit from the flexibility and control of employing their own staff.

A total of 679 disabled employers made use of the payroll service. Of these 679 service users 208 of them also access the Financial Management Service. The following table gives a breakdown by Local Authority

	Total SUs	Payroll SUs only	FMS SUs (pay Roll)	Non payroll SUs	New payroll SUs	New FMS SUs	Ceased payroll	Ceased FMS	No of PAs (at one point in year)
Midlothian	90	68	21	1	8	2	0	0	178
West Lothian	149	103	45	1	25	15	10	2	250
East Lothian	91	62	28	1	9	2	4	4	159
Edinburgh	349	238	87	24	43	30	22	8	767
Total	679	471	181	27	85	49	36	14	1,354

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Disability Information and Advice Service - Grapevine

The LCiL Grapevine Information and Advice service continued to have a strong year in 2018 – 2019.

- It supported 414 people in Edinburgh through 805 contacts and 1852 enquiries.
- It carried out 88 face to face interviews (3-4hrs/interview)
- The service made 130 referrals to other organisations.
- 34 people supported by Grapevine regarding benefit claims were successful in collectively gaining £194,095.20 per year or an average of £5,708.68 individually.

With funding from NHS-Lothian and the Agnes Hunter Trust, Grapevine was also able to provide information and advice in the home of people with Chronic Obstructive Pulmonary Disease (COPD), two days per week, and who are unable to leave their home.

FINANCIAL REVIEW

Against the background of no increased core funding, ongoing increased demand for services and rising overhead costs, the funding renewed for 2½ years (October 2018 to March 2021) 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. Although our organisation is facing a deficit this year, LCiL's Directors continue their sound financial control while the management team continues to operate stringent and transparent accounting practices in an increasingly competitive voluntary sector.

At 31 March 2019 the charity's net assets were £311,357 (2018 £385,736) comprising an accumulated surplus on unrestricted funds of £308,618 (2018 £368,416) and an accumulated surplus on restricted funds of £2,739 (2018 £17,320). 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 – 2018/19

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

In Edinburgh the Independent Living Service and Grapevine were funded by the contract awarded by City of Edinburgh Council as the result of a successful tender in 2016. Existing and new payroll service users are required to purchase their payroll service direct from a payroll provider of their choice under a new framework. Current LCiL Payroll service users who haven't yet had a review are funded at LCiL rate to purchase the service, whereas new service users are funded at the rate of the cheapest payroll provider on the framework. East Lothian, Midlothian and West Lothian councils provided full funding to Direct Payment recipients who then purchased payroll support directly from LCiL.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

Restricted Funds

Restricted funds comprise:

- ◆ Scottish Government Support in the Right Direction (SiRD) – A six months extension to the three-year funding 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 for the first half of the year.
- ◆ Scottish Government Support in the Right Direction 2 (SiRD) – New funding for a two-and-a-half-year programme, from Scottish Government was used to continue provide training, development and peer support for disabled people, people with long-term conditions and parents and carers.
- ◆ Scottish Government Innovation Fund – A six months extension to the three-year funding programme from Scottish Government provided funding to employ a Training officer to deliver a range of Pick 'n' Mix courses to disabled people and Disability Equality Training (DET).
- ◆ Scottish Government Movie Fund – Scottish Government commission to produce a series of videos from LCiL to assist their training programmes.
- ◆ Garfield Weston – funds received in 2017-18 to produce an Impact Report on the work of LCiL. Research began in 2017-18. Funds received were expended in 2018-19.
- ◆ EVOC Change Fund – This continuing funding stream was again spent on supporting older people to increase their uptake of SDS.
- ◆ NHS COPD, Queensberry House – Funding to continue provision of home visits to isolated individuals with chronic obstructive pulmonary disease.
- ◆ Castansa Trust and Agnes Hunter Trust – Funds from these Trust were utilised towards the cost of extending delivery of Grapevine information service from 4 to 5 days per week.
- ◆ SCVO - Cyber Grant to attain Cyber Essential Accreditation.

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.

Reserves Policy

The Directors aim at securing financial reserves, although these should not normally exceed 3 months of staff salaries. In recent years the charity's reserves have exceeded this target as a consequence of allowance for an uncertain contingent liability arising from a dispute with H M Revenue & Customs described at note 12 of the financial statements. Clearly the on-going and future financial insecurity means that LCiL is even more stringent in monitoring its spending, ensures full cost recovery basis is applied to all future funding applications, SLAs etc., and endeavours wherever possible to maximise earned income opportunities in an effort to rebuild its unrestricted reserves.

PLANS FOR THE FUTURE

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

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT OF THE DIRECTORS (CONTINUED)

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	
John Ballantine	
David Brown	
Elizabeth Adamson	
Dugald McArthur	
Balkishan Agrawal	appointed 19 March 2019

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 2019 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 2019 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
27 November 2019

LOTHIAN CENTRE FOR INCLUSIVE LIVING

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

Opinion

We have audited the financial statements of Lothian Centre for Inclusive Living (the 'charitable company') for the year ended 31 March 2019 which comprise a Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

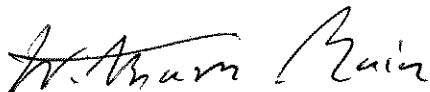
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

LOTHIAN CENTRE FOR INCLUSIVE LIVING

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

Use of our report

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



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

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

91 West Savile Terrace
Edinburgh

27 November 2019

LOTHIAN CENTRE FOR INCLUSIVE LIVING

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Income from:							
Donations and legacies							
Donations		<u>2,369</u>	<u>-</u>	<u>2,369</u>	<u>16,510</u>	<u>-</u>	<u>16,510</u>
Income from investments							
Bank interest		<u>861</u>	<u>-</u>	<u>861</u>	<u>207</u>	<u>-</u>	<u>207</u>
Income from charitable activities							
Grants	3	8,800	186,829	195,629	271,667	229,487	501,154
Service level agreements	3	324,091	8,989	333,080	63,666	8,855	72,521
Payroll and financial management fees		223,144	-	223,144	206,112	-	206,112
Consultancy fees and other income		<u>7,614</u>	<u>-</u>	<u>7,614</u>	<u>1,187</u>	<u>-</u>	<u>1,187</u>
		<u>563,649</u>	<u>195,818</u>	<u>759,467</u>	<u>542,632</u>	<u>238,342</u>	<u>780,974</u>
Total income		<u>566,879</u>	<u>195,818</u>	<u>762,697</u>	<u>559,349</u>	<u>238,342</u>	<u>797,691</u>
Expenditure on:							
Raising funds		9,544	-	9,544	11,886	-	11,886
Charitable activities		<u>619,903</u>	<u>207,629</u>	<u>827,532</u>	<u>495,530</u>	<u>232,669</u>	<u>728,199</u>
Total expenditure	5	<u>629,447</u>	<u>207,629</u>	<u>837,076</u>	<u>507,416</u>	<u>232,669</u>	<u>740,085</u>
Net (expenditure)/ income		(62,568)	(11,811)	(74,379)	51,933	5,673	57,606
Transfers between funds		2,770	(2,770)	-	4,214	(4,214)	-
Net movement in funds		(59,798)	(14,581)	(74,379)	56,147	1,459	57,606
Reconciliation of funds:							
Total funds brought forward	9	<u>368,416</u>	<u>17,320</u>	<u>385,736</u>	<u>312,269</u>	<u>15,861</u>	<u>328,130</u>
Total funds carried forward	9	<u>£308,618</u>	<u>£2,739</u>	<u>£311,357</u>	<u>£368,416</u>	<u>£17,320</u>	<u>£385,736</u>

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

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

The notes on pages 18 to 28 form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING


BALANCE SHEET AS AT 31 MARCH 2019

Company number SC129392

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		£	£
Fixed assets			
Tangible assets	6	<u>1,522</u>	<u>6,424</u>
Current assets			
Debtors	7	85,070	58,470
Cash at bank and in hand		<u>287,241</u>	<u>380,198</u>
		<u>372,311</u>	<u>438,668</u>
Liabilities			
Creditors falling due within one year	8	<u>62,476</u>	<u>59,356</u>
Net current assets		<u>309,835</u>	<u>379,312</u>
Total assets less current liabilities		311,357	385,736
Creditors falling due after one year		-	-
Net assets		<u>£311,357</u>	<u>£385,736</u>
Funds of the charity:			
Unrestricted income funds	9	308,618	368,416
Restricted income funds	9	<u>2,739</u>	<u>17,320</u>
		<u>£311,357</u>	<u>£385,736</u>

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

The financial statements on pages 15 to 28 were approved by the Board of Directors on 27 November 2019 and signed on its behalf by:



E L PEARSTON
DIRECTOR



DIRECTOR

The notes on pages 18 to 28 form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		£	£
Cash flows from operating activities:			
Net cash (utilised)/ provided by operating activities	17	(92,387)	61,856
Cash flows from investing activities:			
Purchase of tangible fixed assets		(570)	-
Cash flows from financing activities:			
Repayment of borrowing		-	-
Change in cash and cash equivalents in the reporting period		(92,957)	61,856
Cash and cash equivalents at the beginning of the reporting period		<u>380,198</u>	<u>318,342</u>
Cash and cash equivalents at the end of the reporting period	16	<u>£287,241</u>	<u>£380,198</u>

The notes on pages 18 to 28 form part of these financial statements

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 10 of the Report of the Directors. The charity had eleven restricted funds during the year: Scottish Government Support in the Right Direction, Scottish Government Support in the Right Direction 2, Scottish Government Innovation Fund (training), Scottish Government Movie Fund, Garfield Weston (Impact Report), EVOC Change Fund, NHS COPD, Queensberry House Trust, Castansa Trust (Grapevine), Agnes Hunter Trust (Grapevine) and SCVO (Cyber Essential Accreditation).

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 2019 (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 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, only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

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

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

Basic Financial Liabilities

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

PENSION

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

TAXATION

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

GOING CONCERN

The financial statements are prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue as a going concern. The directors consider the going concern 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 2019 (Continued)

2. NET INCOMING RESOURCES FROM ORDINARY ACTIVITIES

	2019 £	2018 £
Net incoming resources from ordinary activities is stated after charging:		
Depreciation	5,472	6,792
Operating lease charges – land and buildings	35,765	33,389
Operating lease charges – office equipment	5,382	6,650
Auditors' remuneration for audit services	5,000	4,750
Auditors' remuneration for non-audit services	<u>5,810</u>	<u>2,000</u>

3. GRANT AND SERVICE LEVEL AGREEMENT INCOME

	2019 Unrest- ricted £	2019 Rest- ricted £	2019 Total £	2018 Unrest- ricted £	2018 Rest- ricted £	2018 Total £
Government grants						
Scottish Government	-	168,039	168,039	-	179,395	179,395
City of Edinburgh Council	-	-	-	234,000	-	234,000
East Lothian Council	-	-	-	<u>32,076</u>	-	<u>32,076</u>
	<u>-</u>	<u>168,039</u>	<u>168,039</u>	<u>266,076</u>	<u>179,395</u>	<u>445,471</u>
Other grants						
EVOC Change Fund	-	11,660	11,660	-	11,660	11,660
Queensberry House	-	6,130	6,130	-	-	-
SCVO	-	1,000	1,000	-	-	-
The Broughton Charitable Trust	800	-	800	-	-	-
The Kuenssberg Charitable Foundation	500	-	500	-	-	-
The Hugh Fraser Foundation	1,000	-	1,000	-	-	-
The JTH Charitable Trust	500	-	500	-	-	-
The Nimar Charitable Trust	2,000	-	2,000	-	-	-
Miss I F Harvey's Charitable Trust	1,000	-	1,000	-	-	-
The James Sim Trust	1,000	-	1,000	-	-	-
Saints and Sinners Club of Scotland	1,000	-	1,000	-	-	-
J K Young Endowment Foundation	1,000	-	1,000	-	-	-
Inclusion Scotland	-	-	-	-	8,532	8,532
Robertson Trust	-	-	-	-	7,500	7,500
Garfield Weston Foundation	-	-	-	-	10,000	10,000
Castansa Trust	-	-	-	-	5,000	5,000
Rotary Club of Edinburgh	-	-	-	-	1,000	1,000
Ryvoan Trust	-	-	-	-	2,000	2,000
J W R Christie Bequest Fund	-	-	-	-	2,000	2,000
CRH Trust	-	-	-	-	1,900	1,900
WEA Scotland	-	-	-	-	500	500
Employment Service	-	-	-	<u>5,591</u>	-	<u>5,591</u>
	<u>8,800</u>	<u>18,790</u>	<u>27,590</u>	<u>5,591</u>	<u>50,092</u>	<u>55,683</u>
Total grants	<u>£8,800</u>	<u>£186,829</u>	<u>£195,629</u>	<u>£271,667</u>	<u>£229,487</u>	<u>£501,154</u>
Service level agreements						
City of Edinburgh Council	234,000	-	234,000	-	-	-
West Lothian Council	36,192	-	36,192	36,192	-	36,192
East Lothian Council	32,076	-	32,076	-	-	-
Midlothian Council	21,823	-	21,823	27,474	-	27,474
NHS COPD	-	8,989	8,989	-	8,855	8,855
	<u>£324,091</u>	<u>£8,989</u>	<u>£333,080</u>	<u>£63,666</u>	<u>£8,855</u>	<u>£72,521</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Details of staff costs are as follows:		
Gross salaries	528,940	462,070
Employer's national insurance	41,645	37,463
Defined contribution pension scheme cost	<u>30,735</u>	<u>23,174</u>
	<u>£601,320</u>	<u>£522,707</u>

No remuneration was paid to directors during the year (2018 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	3	2
Staff for managed projects	21	19
Administration	<u>1</u>	<u>1</u>
	<u>25</u>	<u>22</u>

During the year the company paid travel expenses totalling £45 (2018 £200) on behalf of one (2018 one) director.

Employee and employer contributions totalling £3,152 (2018 £5,893) were payable to the defined contribution scheme at the year-end.

Key management personnel comprises the Chief Executive, Accounts Coordinator and HR & Office Coordinator. During the year key management received employee benefits totalling £77,100 (2018 £72,674).

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

5. TOTAL EXPENDITURE

	RF	ILS	PAY	GV	TR	SGMV	SGRD	CH	NHS	SCVO	GW	2019
	£	£	£	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities												
Staff and temporary staff	9,544	153,202	201,024	57,174	17,372	-	73,906	-	13,160	1,000	-	526,382
Recruitment	-	1,397	10,604	1,121	745	-	5,658	-	-	-	-	19,525
Service delivery costs	-	3,939	443	1,583	246	2,820	22,808	-	190	-	10,000	42,029
Payroll and financial management service bad debts	-	-	1,560	-	-	-	-	-	-	-	-	1,560
	<u>9,544</u>	<u>158,538</u>	<u>213,631</u>	<u>59,878</u>	<u>18,363</u>	<u>2,820</u>	<u>102,372</u>	<u>-</u>	<u>13,350</u>	<u>1,000</u>	<u>10,000</u>	<u>589,496</u>
Support costs allocated to activities [basis of allocation]												
Staff costs [staff time]	-	53,542	30,875	31,740	-	-	-	-	-	-	-	116,157
Premises costs [floor area; per capita]	-	11,993	13,252	4,246	1,666	-	10,431	-	667	-	-	42,255
Office and administration [usage; per capita]	-	18,460	33,350	9,871	836	-	9,852	-	490	-	-	72,859
Bank charges [usage; per capita]	-	6	19	2	-	-	-	-	-	-	-	27
Audit fee [usage; per capita]	-	4,111	4,907	1,792	-	-	-	-	-	-	-	10,810
Contribution (from)/ to projects and core activities	-	(19,180)	(11,982)	(16,985)	-	-	34,993	11,660	1,494	-	-	-
Depreciation [usage; per capita]	-	2,081	2,484	907	-	-	-	-	-	-	-	5,472
	-	<u>71,013</u>	<u>72,905</u>	<u>31,573</u>	<u>2,502</u>	-	<u>55,276</u>	<u>11,660</u>	<u>2,651</u>	-	-	<u>247,580</u>
	<u>9,544</u>	<u>229,551</u>	<u>286,536</u>	<u>91,451</u>	<u>20,865</u>	<u>2,820</u>	<u>157,648</u>	<u>11,660</u>	<u>16,001</u>	<u>1,000</u>	<u>10,000</u>	<u>837,076</u>

Amounts classified above as staff costs include employment costs of £601,320 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	PAY	Payroll and FMS
GV	Grapevine	SGMV	Scottish Government Movie	SGRD	Scottish Government Right Direction
TR	Training	CH	EVOC Change	NHS	NHS COPD
SCVO	SCVO Cyber Accreditation	GW	Garfield Weston Impact Report		

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

5. TOTAL EXPENDITURE (continued)

	RF	<		EXPENDITURE ON CHARITABLE ACTIVITIES										>	
		£	ILS	GV	TR	AGHU	SGRD	CH	NHS	AEO	GO	£	£	£	£
Costs directly allocated to activities															
Staff costs	11,886	260,726	40,202	14,519	5,945	90,014	8,320	5,773	701	-	-	438,086			
Recruitment	-	22,618	1,363	899	-	1,493	-	18	-	-	-	26,391			
Audit fee	-	-	-	-	-	-	-	-	-	-	-	6,750			
Volunteer expenses	-	-	-	-	-	-	-	-	-	-	-	222			
Service delivery costs	-	3,527	180	3,950	-	30,204	-	-	-	7,170	-	45,031			
	<u>11,886</u>	<u>286,871</u>	<u>41,745</u>	<u>19,368</u>	<u>5,945</u>	<u>121,711</u>	<u>8,320</u>	<u>5,791</u>	<u>7,871</u>	<u>6,972</u>	<u>516,480</u>				

Support costs allocated to activities [basis of allocation]

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

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

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

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings and office equipment £	Total £
COST		
At 1 April 2018	68,769	68,769
Additions	570	570
Disposals	(-)	(-)
At 31 March 2019	<u>69,339</u>	<u>69,339</u>
DEPRECIATION		
At 1 April 2018	62,345	62,345
Charge for year	5,472	5,472
Disposals	(-)	(-)
At 31 March 2019	<u>67,817</u>	<u>67,817</u>
NET BOOK VALUE		
At 31 March 2019	<u>£1,522</u>	<u>£1,522</u>
At 31 March 2018	<u>£6,424</u>	<u>£6,424</u>

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

7. DEBTORS	2019	2018
Amounts falling due within one year:	£	£
Payroll and financial management service debtors	25,822	7,217
Accrued income	26,639	38,207
Prepayments	14,251	13,046
Other debtors	18,358	-
	<u>£85,070</u>	<u>£58,470</u>

8. CREDITORS AND ACCRUED CHARGES

Amounts falling due within one year:		
Payroll taxes	12,671	14,117
Accruals	18,266	25,597
Deferred income	29,186	6,130
Other creditors	2,353	13,512
	<u>£62,476</u>	<u>£59,356</u>

Movement in deferred income comprises:

Deferred income brought forward	6,130	12
Deferred income brought forward defrayed in year	(6,130)	(12)
Income received in year and deferred due to time restrictions on defrayment	29,186	6,130
	<u>£29,186</u>	<u>£6,130</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

9. MOVEMENT ON FUNDS

	At 01/04/18 £	Income £	Expenditure £	Net movement £	Transfers £	At 31/03/19 £
Restricted Funds:						
Scottish Govt. Right Direction	4,725	81,724	(81,312)	412	(5,137)	-
Scottish Govt. Right Direction 2	-	74,995	(76,336)	(1,341)	3,437	2,096
Scottish Govt. Innovation (Training)	-	8,500	(8,500)	-	-	-
Scottish Govt. Movie Fund	-	2,820	(2,820)	-	-	-
Garfield Weston	10,000	-	(10,000)	(10,000)	-	-
EVOC Change Fund	-	11,660	(11,660)	-	-	-
Castansa Trust (Grapevine)	943	-	-	-	(943)	-
Agnes Hunter Trust (Grapevine)	127	-	-	-	(127)	-
NHS (COPD)	1,525	8,989	(8,926)	63	(945)	643
Queensberry House Trust	-	6,130	(7,075)	(945)	945	-
SCVO Cyber Essentials	-	1,000	(1,000)	-	-	-
Total restricted	<u>17,320</u>	<u>195,818</u>	<u>(207,629)</u>	<u>(11,811)</u>	<u>(2,770)</u>	<u>2,739</u>
Unrestricted Funds:						
Undesignated funds						
General fund	<u>368,416</u>	<u>566,879</u>	<u>(629,447)</u>	<u>(62,568)</u>	<u>2,770</u>	<u>308,618</u>
Total undesignated	<u>368,416</u>	<u>566,879</u>	<u>(629,447)</u>	<u>(62,568)</u>	<u>2,770</u>	<u>308,618</u>
Total unrestricted	<u>368,416</u>	<u>566,879</u>	<u>(629,447)</u>	<u>(62,568)</u>	<u>2,770</u>	<u>308,618</u>
TOTAL FUNDS	<u>£385,736</u>	<u>£762,697</u>	<u>£(837,076)</u>	<u>£(74,379)</u>	<u>£-</u>	<u>£311,357</u>

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

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

9. MOVEMENT ON FUNDS (continued)

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

Further information on the purpose of each restricted fund is provided at pages 9 and 10 of the report of the directors for the year ended 31 March 2018.

10. LEASE AGREEMENTS

Minimum lease payments under operating leases fall due as follows:

	2019 Land and buildings £	2019 Office equipment £	2018 Land and buildings £	2018 Office equipment £
Within one year	16,695	5,382	16,695	5,382
Between one and five years	-	13,455	-	18,838
After five years	-	-	-	-
	<u>£16,695</u>	<u>£18,837</u>	<u>£16,695</u>	<u>£24,220</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

	Unrestricted funds	Restricted funds	2019 Total	Unrestricted funds	Restricted funds	2018 Total
	£	£	£	£	£	£
Fixed assets	1,522	-	1,522	6,424	-	6,424
Net current assets	<u>307,096</u>	<u>2,739</u>	<u>309,835</u>	<u>361,992</u>	<u>17,320</u>	<u>379,312</u>
	<u>£308,618</u>	<u>£2,739</u>	<u>£311,357</u>	<u>£368,416</u>	<u>£17,320</u>	<u>£385,736</u>

12. CONTINGENT LIABILITY

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

13. ENTITY INFORMATION

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

14. CONTROLLING PARTY

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

15. CUSTODIAN ASSETS

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

At 31 March 2019 these client account balances totalled £1,302,740 (2018 £1,182,936). 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 2019 is included in these financial statements within income from charitable activities.

16. CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash at bank and in hand	<u>£287,241</u>	<u>£380,198</u>

LOTHIAN CENTRE FOR INCLUSIVE LIVING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

17. CASH FLOWS FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net (expenditure)/ income for the reporting period	(74,379)	57,606
Depreciation	5,472	6,792
(Increase) in debtors	(26,600)	(21,038)
Increase in creditors	<u>3,120</u>	<u>18,496</u>
	<u>£(92,387)</u>	<u>£61,856</u>

18. RELATED PARTY TRANSACTIONS

There have been no related party transactions during the year (2018 none).