

**Company number SC129392**  
**Charity number SC017954**

**LOTHIAN CENTRE FOR INCLUSIVE LIVING**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2024**

**BROWN, SCOTT & MAIN**

Chartered Accountants and Statutory Auditor

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **COMPANY INFORMATION**

### **CONVENOR**

Jeffrey Adamson

### **OTHER DIRECTORS**

Elizabeth Pearston  
Elizabeth Adamson  
Dugald McArthur  
Balkishan Agrawal  
Eleanor Orr

### **CHIEF EXECUTIVE**

Gabrielle Nolan

### **TREASURER**

Elizabeth 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 2024, 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, physically or virtually. The Chief Executive Officer (CEO) attends and reports to these meetings but has no voting rights. The Operations Manager attends in the capacity of Company Secretary and has 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 CEO.

### **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 person-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 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.

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.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

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 if applicable. 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**

LCiL continues to operate in a changing and competitive external environment. Sustainable funding continues to be uncertain and specifically, funding by local authorities is subject to cuts and reductions. LCiL needs to keep up to date with the potential funding and development opportunities available and be able to identify and adapt to the challenges.

Financial insecurity continues to be a significant risk. LCiL closely monitors its services and identifies any changes in demand and/or trends, and regularly reviews its options longer term. Future commissioning and procuring activities by the four Lothian Councils are evolving and this includes potential reductions to the amount of funding available. LCiL continues to maintain good and transparent relationships with local authorities and provides regular and reliable information about service delivery and service users’ feedback. These positive relationships enable LCiL to have awareness as earliest as possible of potential changes to local authority funding which better supports our planning and ability to mitigate risk. The fundraising strategy continues to generate income from different Trusts and Foundations and other grant funders. This income provides funding for existing services and the development of new projects, as well as income for core costs that support operational activities and investment.

The matter with HM Revenue and Customs (HMRC) regarding the VAT treatment of payroll services is ongoing and continues to be assessed and monitored as a significant risk by the Chief Executive and Directors. In July 2023, in discussions with the pro bono services of Counsel through the Faculty of Advocates Free Legal Services Unit, the LCiL Directors decided not to proceed with the Appeal process and negotiate a proposed way forward with HMRC in this matter. This is ongoing and the case is currently sisted by the Tribunal (Tax Chamber) to enable time for the negotiations. The potential impact on the company’s financial position is reviewed on an ongoing basis at each Trustees’ meeting and where possible Reserves have been built up to provide for the contingent liability. The current position is reflected in note 12 to the financial statements.

As LCiL continues to work towards an agreed resolution with HMRC, planning includes an external communication strategy with the relevant Local Authorities and service users to discuss implications for them.

Staff turnover within the organisation, particularly at senior level, also presents risk and requires careful management. The current CEO came into post in April 2023.

LCiL’s policies are regularly reviewed to ensure that they are up to date, correctly implemented and monitored. Directors provide input to these reviews.

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

LCiL’s CEO regularly produces risk analyses for the Board of Directors, highlighting:

- 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
- Staff matters

The organisation developed a hybrid-working model further this year, with staff now working consistently between the office and home. Where colleagues required specific reasonable adjustments to their working pattern, that support was put in place. LCiL continues to successfully operate an accessible suite of services, ensuring that the highest level of support is offered to those who need it most, when it is needed most.

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **REPORT OF THE DIRECTORS (CONTINUED)**

Staff wellbeing and mental health continues to be a priority, with several initiatives in place to ensure that training and support is available to all.

### **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"

LCiL's aims 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

LCiL's objectives 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**

In this year, as the new CEO has settled into the organisation, LCiL continued to provide advice, information and support services that proactively promote and work to protect the rights of disabled people and their carers.

There was movement in staffing this year. Staff moved on from LCiL, mostly taking up new roles with other organisations. This created challenges for the organisation as it had an impact on staffing capacity. Long-term staff sickness absence also affected the available staff resource and was particularly challenging where this included Management absence. The organisation was able to maintain delivery across all services in this year making necessary adjustments to facilitate this.

LCiL successfully recruited for key existing posts in this year, including a Finance Officer and a Fundraiser. We increased the resource of both posts to improve the efficiency of these functions across the organisation, strengthen our financial and fundraising capacity, and to help mitigate organisational risks in these areas. The Finance Officer role is now 28 hours per week working across four days, and the Fundraiser post increased to 21 hours per week. Two Facilitators and a Service Manager were recruited for the Peer Support and Learning service (PSL). These were existing roles where staff had moved on from the organisation. A new Communications and Events Officer post was created and we successfully recruited for 21 hours per week.

LCiL was successful with an application to the renewed Scottish Government Support in the Right Direction (SiRD) funding, securing £472,000 for 2024-2027, to build on and expand the peer support work across Edinburgh and the Lothians. This work includes working in a formal partnership with The Action Group where LCiL will collaborate to facilitate peer support to carers from Black and Minority Ethnic communities. LCiL is also a formal delivery partner with Voices of Carers Across Lothians (VOCAL) in Edinburgh and Midlothian where LCiL will provide support to carers choosing to become Personal Assistant (PA) employers.

There was much focus on the funding for the Grapevine (now named Disability Advice and Information Service) service in 2023/24, due to anticipated changes to the City of Edinburgh Council (CEC) funding following the local authority's review of the block contract. Funding from The Robertson Trust for £105,000 for 2024-27 was secured for the service, specifically to support a Cost-of-Living support service providing welfare benefits, income maximisation and financial information workshops for disabled people impacted by the rise in day-to-day costs.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

A funding development plan was created for this service and the CEO and Fundraiser continue to deliver this with several funding applications, including applications for multiple years funding, ongoing.

The current block CEC contract for the Independent Living Service and Disability Advice and Information Service, and the Payroll Framework have been undergoing a review by the local authority since 2022. In this year, LCiL engaged with CEC on the review and current contracts were extended to December 2024 and September 2024 respectively.

The staff member for the Self-Management Service moved on from LCiL in March 2024. From this time, the service has been put on hold to give time to look at options for sustainable funding to continue and develop the service into future years.

The Fundraiser continued to complete a high volume of applications to a variety of smaller Trusts and Foundations.

The financial stability of the organisation remains a high priority as we strategise to operate and develop against a very challenging financial backdrop.

### **Outcome 1: LCiL informs and influences policies and decisions impacting on disabled people, people with long term conditions and older people and their rights.**

LCiL contributed to national and local developments amplifying the voices of disabled people, and their carers.

This year, LCiL participated in two Roundtable events at the Scottish Parliament discussing accessibility of City of Edinburgh planning, specifically the redevelopment of George Street and the potential impact of the design on disabled people. The second consultation was to input into the Social Security (Amendment) Bill.

The organisation continued to be part of consultation and discussions on the proposals for a National Care Service.

LCiL is a member of the National Self-Directed Support (SDS) Collaboration group and attended meetings throughout the year, including being part of the sub-group to create monitoring and evaluation of the SDS Improvement Plan.

LCiL is part of the Disability Equality Strategy Steering Group and a member of the Scottish Independent Living Coalition.

LCiL participated with other Disabled People's Organisations in a meeting with the then First Minister, Humza Yousaf to discuss the creation of a national Disability Equality Strategy.

LCiL was part of the co-production group to re-open the Independent Living Fund. This group will continue for a period following the re-opening in April 2024 to inform and influence the implementation.

Locally, LCiL are members of Edinburgh Voluntary Organisations Council (EVOG) disability and carers forum, as well as collaborating with a user-led SDS forum in West Lothian and Forward Mid in Midlothian.

LCiL staff met with the Chair of the Adult Disability Payment Review as part of the consultation and call for evidence.

### **Outcome 2: All LCiL services and projects are developed and delivered as opportunities to self-empower and be involved in the organisation.**

LCiL volunteers and Champions continued to give their time, knowledge and lived experience with the organisation including co-facilitating peer support groups and workshops with the Peer Support and Learning service.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

This year LCiL service users were supported to take part in consultation events on the National Care Service, the re-opening of the Independent Living Fund and provided training and awareness raising on disability-related issues to social work students at Napier University. The SiRD funding application was completed following service user consultation where disabled people and carers accessing peer support informed and shaped the design of the service.

LCiL service users were asked to complete the annual survey on their experience of using our services, responding to the survey, people told us:

- “I would not manage my self-directed funding or staffing issues without them”.
- “LCiL is important to me as a service user with all the support I have received...and also being a proud LCiL Champion and meeting new friends and given the opportunity, to go out and encourage other people and give support”.
- “User-led and has the specialist information on what are quite complex rules/laws relating to disability benefits and SDS which they can explain clearly, having often had personal experience of using or helping to administer them”.
- “LCiL is helping me to bridge the gap from having no formal support to understanding and working towards getting support set up. The peer group sessions are great too. Initial worries about not being disabled enough have gradually dissolved”.

### **Outcome 3: All services and projects of LCiL support disabled people, people with long term conditions and older people so they can achieve their personal outcomes and live the way they want to live.**

The **Independent Living Service** provided independent advice, information, and support to disabled people, their carers, and families on all aspects of SDS and supported those employing staff through the PA Recruitment Service. **Disability Advice and Information Service (formerly Grapevine)** provided specialist advice and information in Edinburgh to empower disabled people to understand and access their rights and welfare benefit entitlements and to maximise their household income.

**Peer Support and Learning** facilitated group peer support with disabled people and carers on all stages of their social care and SDS journey, empowering them to take ownership of, and have more control over, their health and wellbeing. Peer support happens when people with shared life experiences come together to support each other. It is enabled through relationships that build mutual acceptance, understanding and that affirm everyone’s experience.

Alongside group work, PSL Facilitators provided one-to-one support to peer group participants on aspects of social care and SDS, and other individual matters to support their wellbeing.

LCiL benefited hugely from the lived experience and insight from volunteer Champions who have continued to be a very valuable part of the LCiL family and the PSL programme. Currently, there are 12 volunteer LCiL Champions.

The **Community Respiratory Support Service** provided advice and information, including welfare benefits advice and support for people with long-term respiratory and lung conditions. This year, LCiL renewed the contract to deliver this service with NHS Lothian for 2023-2025.

The **Self-Management Service** supported people with long-term health conditions in Edinburgh to connect with community supports and services, to access resources to help and to gain a better understanding of their health condition, assistance to develop health and wellbeing action plans, and to prepare for medical appointments empowering disabled people to get more from them and their interactions with clinical professionals in relation to the management of their condition.

Outcomes recorded for users of LCiL services this year:

- Increased knowledge of benefits.
- Improved financial circumstances.
- Increased awareness of other sources of support, including available support in local areas.
- Increased confidence in being a PA employer.



# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

- Improved confidence in managing Direct Payments and package of support.
  - Increased knowledge of SDS.
  - Improved personal confidence.
- Service users told LCiL that they felt listened to and heard, and that being able to access LCiL services in different ways including online, helped them engage with support more easily.

### Review of the year by services

#### Independent Living Service

Independent SDS advice and information offering individualised one-to-one advice and longer-term support as needed, to disabled people, their families and carers. The service received referrals from social work services, other voluntary organisations and agencies, as well as self-referrals from disabled people.

The Independent Living Service is contracted by City of Edinburgh Council, East Lothian Council, Midlothian Council and West Lothian Council.

Disabled people, their families and carers accessed the service in different ways including in-person appointments, home visits, online and by telephone.

The type of support provided covered a wide range of issues and assisted disabled people to make informed choices about what Independent Living means for them.

Support included:

- Help to identify individual support needs.
- Knowledge of all SDS options and the assessment process.
- Help to access and prepare for an SDS assessment.
- Understanding of rights relating to SDS.
- Help to recruit PAs which included support to write job adverts, job descriptions and person specifications, placing job adverts with a variety of recruitment agencies on behalf of the recruiting PA employer, contractual terms and conditions, and understanding of all employer responsibilities.
- Help to prepare for and undertake interviews for PA staff and to complete safe recruitment.
- Help to access Payroll services.
- Independent Living Officers liaising directly with local authority and other appropriate organisations on behalf of service users to best support their needs and support self-advocacy.
- Referrals and signposting to other specialist services to best meet the diverse needs of services users, as well as referring to internal LCiL services for holistic support including peer support, welfare benefits and income maximisation advice and information and self-management support.

From April 2023 to March 2024, the service supported 681 individuals in Edinburgh, East Lothian, Midlothian and West Lothian.

Local authority area	No. of service users accessing support
City of Edinburgh	399
East Lothian	134
Midlothian	69
West Lothian	79
Total	681

#### Disability Advice and Information Service

The Disability Advice and Information Service provided advice and information on a variety of topics and continued to meet the demand for welfare benefits and income maximisation advice and support.

## **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

### **REPORT OF THE DIRECTORS (CONTINUED)**

The service also delivered information workshops to service users, practitioners and professionals on disability benefits and Universal Credit.

The service is funded by City of Edinburgh Council and Edinburgh Health and Social Care Partnership. Disabled people, their families and carers accessed the Disability Advice and Information Service in different ways including in-person appointments, online and by telephone.

Welfare benefits support included:

- Completing a benefits check for every individual accessing the service to identify entitlements.
- Support to apply for benefits.
- Support to ask for a reconsideration of a benefit decision.
- Advice and information about the migration to Universal Credit and support to make this transition as needed by individuals.
- Advice and information about all welfare benefits with a particular focus on disability benefits and Universal Credit.

Other types of enquires to the service included:

- Housing including information about adaptations.
- Accessible transport.
- Access to other specialist services including care and support services.
- Self-Directed Support.
- Making a complaint.
- Education.
- Employment.
- Specialist equipment and Aids.
- Grants and Trusts.
- Going on holiday, travel and leisure.
- Access to specialist money and debt advice.

From April 2023 to March 2024, the service supported 352 individuals in Edinburgh.

The service received referrals from Edinburgh Community Stroke Service, Job Centre Plus, other voluntary organisations and agencies, as well as self-referrals from disabled people.

The Community Respiratory Support Service sits within the wider Disability Advice and Information Service, providing support in Edinburgh specifically to people with long-term respiratory and lung conditions.

From April 2023 to March 2024, the service supported 45 individuals in Edinburgh.

Like the wider Disability Advice and Information Service, the Community Respiratory Support Service provides advice and information on a variety of advice topics with a strong focus on welfare benefits and income maximisation.

#### **Peer Support and Learning**

The Peer Support and Learning service facilitated peer support groups and provided one-to-one support with SDS, as well as SDS information workshops in Edinburgh and the Lothians.

The service facilitated:

- Peer support groups for disabled people, parent carers of disabled children and adults, PA employers, people with longer term conditions and older people through a combination of online and face-to-face service delivery.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

- Information workshops to inform on SDS, options and rights. Topics covered were: What is SDS, who qualifies, who is involved, how can I get SDS? Direct payments, individual budgets, arranged support, and how options can be mixed. Also, information on social care planning and community brokerage – what these are and how users can engage with them.
- Volunteer Champion involvement and participation.

The service provided individual follow-up support to peer support group participants with all aspects of SDS and social care planning, as well as help to access to other specialist community support services.

To best fit the needs of service users, Peer Support and Learning worked collaboratively with other voluntary organisations including Carers of West Lothian and VOCAL.

From April 2023 to March 2024, the service supported 124 individuals in Edinburgh and the Lothians.

### Payroll Service

The Payroll service continued to support employers to manage their responsibilities by delivering wage processing and administration and offering our Financial Management Service, holding a dedicated bank account for people who would likely be excluded from receiving an SDS care package without access to this support. Funds held on behalf of clients is reported at note 15 of the financial statements. The service also provides a link with HM Revenue and Customs and operates as an accessible Helpline for disabled employers.

From April 2023 to March 2024, 611 individuals in Edinburgh and the Lothians were registered with the Payroll services.

A total of 611 disabled employers made use of the payroll service. Of these 611 service users (SUs) 171 also access the Financial Management Service (FMS). The following table gives a breakdown by Local Authority.

Local authority area	No. of Payroll users	No. of Payroll and FMS users	No. of PAs employed
East Lothian	103	29	185
City of Edinburgh	163	78	478
Midlothian	85	23	176
West Lothian	89	41	207
<b>Total</b>	440	171	1046

### Self-Management Support Service

The services supported people with long-term health conditions in Edinburgh to gain improved understanding of and support with their health and wellbeing and long-term health conditions such as arthritis, ME and Chronic Fatigue conditions, cancer diagnosis and chronic pain management. Approximately 85% of individuals accessing the service experienced chronic pain.

The service supported individuals with advice and information on matters, including:

- Access to care and support.
- Symptom management.
- Support whilst on clinical waiting lists.
- Access to help and information on managing pain.
- Social isolation.
- Low confidence.
- Coping strategies and pacing.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

- Social care planning.
- Access to Self-Management training courses.

From April 2023 to March 2024, the service supported 76 individuals in Edinburgh.

The service worked with individuals for a period of 3-months, facilitating person-led conversations and planning supporting service users to:

- Connect with community supports and services.
- Access resources to gain a better understanding of their condition.
- Help service users to develop personalised action plans to support improved health and wellbeing outcomes.
- Identify coping strategies to help safely manage the emotional and physical challenges service users experienced.
- Increase knowledge.
- Increase confidence.

## FINANCIAL REVIEW

The surplus for the year ended 31 March 2024 was £87,682 (2023 £51,052) comprising a surplus on unrestricted funds of £26,386 (2023 loss of £40,361) and a surplus on restricted funds of £61,296 (2023 £91,413).

On 31 March 2024 the charity's net assets were £545,324 (2023 £457,642) comprising an accumulated surplus on unrestricted funds of £332,259 (2023 £305,873) and an accumulated surplus on restricted funds of £213,065 (2023 £151,769). The financial statements have been prepared on a 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 – 2023/24

Local authority funding remains the core income for the Independent Living Service with the City of Edinburgh Council being the largest contract. The contract with Midlothian Council is currently on a year-on-year basis.

- City of Edinburgh - £212,912
- East Lothian - £41,504
- Midlothian - £20,330
- West Lothian - £38,000

The City of Edinburgh Council contract has been undergoing a review by the local authority with a view to creating a new service specification and possible open procurement process. As well as the Independent Living Service, the current block contract has also been the main funder for the Disability Advice and Information Service with an annual amount of £160,618. Following discussions with the City of Edinburgh Council as part of the contract review, LCiL anticipates the funding to the Disability Advice and Information Service to stop at the end of 2024. To mitigate the risk to sustainability of the service, applications to other funders have been submitted this year, with a multi-year grant of £105,000 from the Robertson Trust secured so far. This grant will start in April 2024 and is restricted funding.

LCiL's Payroll service remains a provider on City of Edinburgh Council's Framework. There are no contractual arrangements in place for the Payroll service for East Lothian, Midlothian and West Lothian local authorities. East Lothian has a 'spot purchase' arrangement in place for a minimum of 30 East Lothian service users per month to access the Financial Management Service. The Financial Management Service fee is paid directly to service users as part of their care package.

East Lothian, Midlothian and West Lothian local authorities provide full funding to Direct Payment recipients who use LCiL Payroll. It remains that several Edinburgh service users are funded at the cheapest Payroll provider rate on the City of Edinburgh Council Framework with the service user making up the shortfall.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

### Restricted funds

- Scottish Government Support in the Right Direction funding is the core source of income for the Peer Support and Learning service. LCiL successfully completed a new application to this fund which will start in April 2024 for three years.
- Community Respiratory Support Service is funded mainly by Edinburgh Health and Social Care Partnership – NHS/City of Edinburgh Council, with part of a National Lottery Community Fund grant also allocated to this service.
- Disability Advice and Information Service also receives a grant from Edinburgh Integrated Joint Board which has been extended in 2023/24.
- Self-Management Service is partially funded by contributions from a National Lottery Community Fund grant.

Funding applications continue to be prepared and targeted at key funders including smaller Trusts and Foundations which help to supplement core income. The funding landscape has remained challenging this year with access to certain types of funding more restricted and with more organisations applying. LCiL identified funding available for responses to the cost-of-living crisis and people experiencing poverty, such as The Robertson Trust. New applications have been completed to make the most of these funding opportunities.

LCiL is grateful for the support of our funders.

The Directors and CEO keep abreast of the external environment LCiL operates in and are prepared for future changes, specifically in local authority commissioning. It is likely there will be reductions to statutory funding as local authorities undertake their financial recovery plans. Maintaining good relationships with local authorities, as well as being connected to wider networks across the sector, enable LCiL to keep up to date with oncoming changes.

### Reserves policy

The Directors aim to secure financial reserves of at least 3 months of staffing costs. In recent years the charity's reserves have exceeded this target because of allowance for the uncertain contingent liability arising from the dispute with HM Revenue & Customs and the Payroll service. The ongoing and potentially future financial challenges, mean that LCiL stringently monitors expenditure and aims to budget for full cost recovery in funding applications where this is possible, and endeavours to maximise earned income opportunities to build its unrestricted reserves.

### Future plans

Funding is secured for the Peer Support and Learning service enabling this work to continue for the next three years. There is a plan to reshape the Disability Advice and Information Service to be able to access different types of funding beyond the current City of Edinburgh Council contract and secure the sustainability of the service. The focus of the service remains welfare benefits advice, and the plan is to develop a response to the impact of the cost-of-living experienced by disabled people, by expanding service delivery to include Edinburgh and the Lothians and to offer information workshops. It is anticipated that we will enter the procurement process for the City of Edinburgh Council block contract for the Independent Living Service in 2024.

LCiL will continue to strategise to secure sustainable funding for all its services and progress a user-led focus where LCiL members and service users themselves identify the need for specific services rather than priorities and services being directed by funders and the types of funding available.

The fundamental aim of the organisation is to continue to provide the services which disabled people require to empower them to have choice and control and to live independently.

### 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

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

- 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
Elizabeth Adamson	
Dugald McArthur	
Balkishan Agrawal	
Mandy Orr	

### 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 2024 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 2024 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

19 December 2024

# 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 2024 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 2024 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)**

#### **Opinion 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 directors as trustees**

As explained more fully in the directors' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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



## LOTHIAN CENTRE FOR INCLUSIVE LIVING

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

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

- we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience of the charity sector and through discussion with management including the directors (as required by auditing standards);
- we had regard to laws and regulations in areas that directly affect the financial statements including the Companies Act 2006 and current financial reporting standards;
- we considered the extent of compliance with those laws and regulations as part of our procedures on the related aspects of the financial statements;
- with the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of management including the directors; and
- we communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates were indicative of a potential bias; and evaluating the rationale of any significant transactions that were unusual or outside normal charitable activities. We reviewed the instances of related parties and remained alert to the possibility of further related party transactions.

There are inherent limitations in the audit procedures described above and the further removed the laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of non-compliance. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### 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.



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

19 DECEMBER 2024

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 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total £	Unrestricted funds £	Restricted funds £	2023 Total £
<b>Income from:</b>							
<b>Donations and legacies</b>							
Donations		990	-	990	11,678	-	11,678
<b>Income from investments</b>							
Bank interest		6,327	-	6,327	2,623	-	2,623
<b>Income from charitable activities</b>							
Grants	3	45,620	216,628	262,248	32,265	246,667	278,932
Service level agreements	3	481,463	12,494	493,957	390,176	12,132	402,308
Payroll and financial management fees		231,033	-	231,033	232,627	-	232,627
Consultancy fees and other income		3,581	-	3,581	7,590	-	7,590
		<u>761,697</u>	<u>229,122</u>	<u>990,819</u>	<u>662,658</u>	<u>258,799</u>	<u>921,457</u>
<b>Total income</b>		<u>769,014</u>	<u>229,122</u>	<u>998,136</u>	<u>676,959</u>	<u>258,799</u>	<u>935,758</u>
<b>Expenditure on:</b>							
Raising funds		-	-	-	-	-	-
Charitable activities		742,628	167,826	910,454	717,320	167,386	884,706
<b>Total expenditure</b>	5	<u>742,628</u>	<u>167,826</u>	<u>910,454</u>	<u>717,320</u>	<u>167,386</u>	<u>884,706</u>
<b>Net (expenditure)/ income</b>		26,386	61,296	87,682	(40,361)	91,413	51,052
<b>Transfers between funds</b>		-	-	-	-	-	-
<b>Net movement in funds</b>		26,386	61,296	87,682	(40,361)	91,413	51,052
<b>Reconciliation of funds:</b>							
Total funds brought forward	9	305,873	151,769	457,642	346,234	60,356	406,590
<b>Total funds carried forward</b>	9	<u>£332,259</u>	<u>£213,065</u>	<u>£545,324</u>	<u>£305,873</u>	<u>£151,769</u>	<u>£457,642</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 20 to 30 form part of these financial statements

# LOTHIAN CENTRE FOR INCLUSIVE LIVING


BALANCE SHEET AS AT 31 MARCH 2024

Company number SC129392

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		£	£
<b>Fixed assets</b>			
Tangible assets	6	<u>11,926</u>	<u>5,476</u>
<b>Current assets</b>			
Debtors	7	40,879	52,990
Cash at bank and in hand		<u>615,961</u>	<u>451,412</u>
		<u>656,840</u>	<u>504,402</u>
<b>Liabilities</b>			
Creditors falling due within one year	8	<u>123,442</u>	<u>52,236</u>
<b>Net current assets</b>		<u>533,398</u>	<u>452,166</u>
<b>Total assets less current liabilities</b>		545,324	457,642
Creditors falling due after one year		—	—
<b>Net assets</b>		<u><b>£545,324</b></u>	<u><b>£457,642</b></u>
<b>Funds of the charity:</b>			
Unrestricted income funds	9	332,259	305,873
Restricted income funds	9	<u>213,065</u>	<u>151,769</u>
		<u><b>£545,324</b></u>	<u><b>£457,642</b></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 17 to 30 were approved by the Board of Directors on 19 December 2024 and signed on its behalf by:



**E L PEARSTON**  
**DIRECTOR**



**ELIZABETH ADAMSON**  
**DIRECTOR**

The notes on pages 20 to 30 form part of these financial statements

## LOTHIAN CENTRE FOR INCLUSIVE LIVING

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		£	£
<b>Cash flows from operating activities:</b>			
Net cash provided/ (utilised) by operating activities	17	177,261	44,873
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(12,712)	(2,472)
<b>Change in cash and cash equivalents in the reporting period</b>		164,549	42,401
Cash and cash equivalents at the beginning of the reporting period		<u>451,412</u>	<u>409,011</u>
Cash and cash equivalents at the end of the reporting period	16	<u><b>£615,961</b></u>	<u><b>£451,412</b></u>

The notes on pages 20 to 30 form part of these financial statements

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 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. The presentation currency is sterling.

#### 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 five restricted funds during the year: Right Direction 2, CRSS (NHS Lothian), CRSS (Other funders), Welfare Matters, Self-Management Support.

#### 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 where it 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.

#### 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.

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (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.

#### **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.

#### **GOING CONCERN**

The financial statements are prepared on the going concern basis. The directors consider that there are no material uncertainties about the company'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. The directors have also considered the consequences of various outcomes of the VAT dispute with HMRC and are satisfied the going concern basis remains appropriate.

#### **ACCOUNTING POLICY JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing the financial statements management can be required to make judgements and/ or estimates which affect reported income, expenditure, assets and liabilities. Use of available information, past experience and reasonable expectation of future events are inherent in making those judgements and estimates.

As disclosed in note 12 to these financial statements the directors have now accepted that the charity is liable for VAT on its fee income to payroll service users. As a result, a provision for VAT has been included in the statement of financial activities and within creditors.

The directors have made estimates to determine an appropriate rate of depreciation and expected useful life of each tangible fixed asset and to apportion expenditure between activities as disclosed within the specific accounting policies above and at note 5.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (Continued)

### 2. NET INCOMING RESOURCES FROM ORDINARY ACTIVITIES

	2024	2023
	£	£
Net incoming resources from ordinary activities is stated after charging:		
Depreciation	6,262	2,020
Operating lease charges – land and buildings	46,694	51,480
Operating lease charges – office equipment	4,695	4,368
Auditors' remuneration for audit services	8,400	5,500
Auditors' remuneration for non-audit services	<u>4,200</u>	<u>1,700</u>

### 3. GRANT AND SERVICE LEVEL AGREEMENT INCOME

	2024	2024	2024	2023	2023	2023
	Unrest- ricted	Rest- ricted	Total	Unrest- ricted	Rest- ricted	Total
	£	£	£	£	£	£
<b>Government grants</b>						
City of Edinburgh Council on behalf of						
Edinburgh Integrated Joint Board	-	20,877	20,877	-	20,877	20,877
Scottish Government	-	<u>155,751</u>	<u>155,751</u>	-	<u>148,024</u>	<u>148,024</u>
	-	<u>176,628</u>	<u>176,628</u>	-	<u>168,901</u>	<u>168,901</u>
<b>Other grants</b>						
Queensberry House Trust	-	5,000	5,000	-	-	-
The Robertson Trust	-	-	-	-	8,000	8,000
Edinburgh Voluntary Org Council	-	-	-	-	16,574	16,574
Rotary Club of Edinburgh	-	-	-	500	-	500
Saints and Sinners Club of Scotland	1,000	-	1,000	-	-	-
Nimar Charitable Trust	1,000	-	1,000	-	-	-
People's Postcode Trust	5,000	15,000	20,000	-	-	-
Cruden Foundation	-	-	-	500	-	500
Lady Marion Gibson Trust	-	-	-	2,000	-	2,000
Paristamen charity	-	-	-	750	-	750
AABIE Charitable Trust	-	-	-	2,865	-	2,865
Thistledown Trust	-	-	-	2,000	-	2,000
Clockworkers Foundation	-	-	-	-	10,000	10,000
Constance Paterson Charitable Trust	-	-	-	4,000	-	4,000
Hugh Fraser Charitable Trust	-	5,000	5,000	5,000	-	5,000
John Kirkhope Young Endowment	-	-	-	1,000	-	1,000
Anton Jurgens Charitable Trust	-	-	-	3,000	-	3,000
M&G Investments	-	2,500	2,500	-	2,000	2,000
Marsh Charitable Trust	-	-	-	500	-	500
Mary Andrew Trust	-	-	-	500	-	500
National Lottery	3,120	10,000	13,120	7,150	41,192	48,342
Kuenssberg Charitable Foundation	-	-	-	500	-	500
Sir Jules Thorn Charitable Trust	2,500	-	2,500	1,000	-	1,000
Cruden Foundation	-	-	-	500	-	500
Ward Family Charitable	-	-	-	500	-	500
Bentley Advancing Life Changes	500	-	500	-	-	-
Row Fogo Charitable Trust	4,900	-	4,900	-	-	-
Nancie Massie	2,000	-	2,000	-	-	-
The Edward Gostling Foundation	15,000	-	15,000	-	-	-
Hillcrest Foundation	5,000	-	5,000	-	-	-
Penpoint Charitable Trust	1,200	-	1,200	-	-	-
The Russel Trust	3,000	-	3,000	-	-	-
Sylvia Aitken Charitable Trust	1,000	-	1,000	-	-	-
The Conundrum Charitable Trust	-	2,000	2,000	-	-	-

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (Continued)

### 3. GRANT AND SERVICE LEVEL AGREEMENT INCOME (continued)

	2024 Unrest- ricted £	2024 Rest- ricted £	2024 Total £	2023 Unrest- ricted £	2023 Rest- ricted £	2023 Total £
<b>Other grants (continued)</b>						
Leith Gives	-	500	500	-	-	-
Waburtons Community Grants	<u>400</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>45,620</u>	<u>40,000</u>	<u>85,620</u>	<u>32,265</u>	<u>77,766</u>	<u>110,031</u>
<b>Total grants</b>	<b><u>£45,620</u></b>	<b><u>£216,628</u></b>	<b><u>£262,248</u></b>	<b><u>£32,265</u></b>	<b><u>£246,667</u></b>	<b><u>£278,932</u></b>
<b>Service level agreements</b>						
City of Edinburgh Council	381,628	-	381,628	298,806	-	298,806
West Lothian Council	38,000	-	38,000	38,000	-	38,000
East Lothian Council	41,504	-	41,504	32,076	-	32,076
Midlothian Council	20,331	-	20,331	21,294	-	21,294
NHS Lothian CRSS	<u>-</u>	<u>12,494</u>	<u>12,494</u>	<u>-</u>	<u>12,132</u>	<u>12,132</u>
	<b><u>£481,463</u></b>	<b><u>£12,494</u></b>	<b><u>£493,957</u></b>	<b><u>£390,176</u></b>	<b><u>£12,132</u></b>	<b><u>£402,308</u></b>

### 4. EMPLOYEES AND DIRECTORS

	2024 £	2023 £
Details of staff costs are as follows:		
Gross salaries	555,199	568,040
Employer's national insurance	38,465	39,776
Defined contribution pension scheme cost	<u>40,766</u>	<u>39,992</u>
	<b><u>£634,430</u></b>	<b><u>£647,808</u></b>

No remuneration was paid to and no benefits were provided to directors during the year (2023 nil).

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

	Number	Number
Management	3	3
Staff for managed projects	22	25
Administration	<u>1</u>	<u>1</u>
	<u>26</u>	<u>29</u>

During the year the company paid no expenses on behalf of directors (2023 £nil).

Employee and employer contributions totalling £6,249 (2023 £5,911) 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 remuneration including employer pension contributions totalled £88,936 (2023 £65,790)



# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (Continued)

### 5. TOTAL EXPENDITURE

	EXPENDITURE ON CHARITABLE ACTIVITIES											>
	RF	ILS	PAY	GV	RD	CRSS	WM	SMS			2024	
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Costs directly allocated to activities</b>												
Staff and temporary staff	-	191,336	129,559	42,000	88,459	13,760	9,478	24,035				498,627
Recruitment	-	1,930	-	-	230	-	-	-				2,160
Service delivery costs	-	-	-	-	-	-	-	-				-
Bad debts	-	3,864	7,237	-	-	-	-	-				11,101
VAT expenses	-	-	90,083	-	-	-	-	-				90,083
	=	<u>197,130</u>	<u>226,879</u>	<u>42,000</u>	<u>88,689</u>	<u>13,760</u>	<u>9,478</u>	<u>24,035</u>				<u>601,971</u>
<b>Support costs allocated to activities [basis of allocation]</b>												
Staff costs [staff time]	-	82,739	56,025	18,162	-	-	-	-				156,926
Premises costs [floor area; per capita]	-	14,676	15,623	5,552	7,208	909	1,363	1,363				46,694
Office and administration [usage; per capita]	-	20,867	29,284	7,490	16,346	1,169	1,753	1,753				78,662
Bank charges [usage; per capita]	-	3,230	3,449	660	-	-	-	-				7,339
Audit fee [usage; per capita]	-	3,444	3,612	1,344	-	-	-	-				8,400
Accountancy fee [usage; per capita]	-	1,722	1,806	672	-	-	-	-				4,200
Contribution (from)/ to projects and core activities	-	-	-	-	-	-	-	-				-
Depreciation [usage; per capita]	=	<u>1,982</u>	<u>2,298</u>	<u>1,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>				<u>6,262</u>
	=	<u>128,660</u>	<u>112,097</u>	<u>35,862</u>	<u>23,554</u>	<u>2,078</u>	<u>3,116</u>	<u>3,116</u>				<u>308,483</u>
	=	<u>325,790</u>	<u>338,976</u>	<u>77,862</u>	<u>112,243</u>	<u>15,838</u>	<u>12,594</u>	<u>27,151</u>				<u>910,454</u>

Amounts classified above as staff costs include employment costs of £634,430 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	RD	Right Direction 2	CRSS	formerly known as COPD (NHS Lothian and other funders)
WM	Welfare Matters	SMS	Self-Management Support		

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (Continued)

### 5. TOTAL EXPENDITURE (continued)

Comparative figures 2023	EXPENDITURE ON CHARITABLE ACTIVITIES											
	RF	ILS	PAY	GV	RD	COPD	WM	SMS	>			
	£	£	£	£	£	£	£	£	£	£	£	2023
<b>Costs directly allocated to activities</b>												
Staff and temporary staff	-	198,678	166,488	60,290	68,016	13,456	13,528	24,501				544,957
Recruitment	-	10,561	3,320	3,320	2,109	420	420	840				20,990
Service delivery costs	-	-	-	-	-	-	-	-				-
Payroll and financial management service bad debts	-	-	-	-	-	-	-	-				-
	=	<u>209,239</u>	<u>169,808</u>	<u>63,610</u>	<u>70,125</u>	<u>13,876</u>	<u>13,948</u>	<u>25,341</u>				<u>565,947</u>
<b>Support costs allocated to activities [basis of allocation]</b>												
Staff costs [staff time]	-	84,358	28,215	33,485	-	-	-	-				146,058
Premises costs [floor area; per capita]	-	31,656	6,957	7,533	3,612	419	675	628				51,480
Office and administration [usage; per capita]	-	39,647	15,385	11,065	34,913	2,661	587	601				104,859
Bank charges [usage; per capita]	-	3,122	3,357	663	-	-	-	-				7,142
Audit fee [usage; per capita]	-	2,975	3,096	1,129	-	-	-	-				7,200
Contribution (from)/ to projects and core activities	-	-	-	-	-	-	-	-				-
Depreciation [usage; per capita]	=	<u>750</u>	<u>975</u>	<u>295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>				<u>2,020</u>
	=	<u>162,508</u>	<u>57,985</u>	<u>54,170</u>	<u>38,525</u>	<u>3,080</u>	<u>1,262</u>	<u>1,229</u>				<u>318,759</u>
	=	<u><b>371,747</b></u>	<u><b>227,793</b></u>	<u><b>117,780</b></u>	<u><b>108,650</b></u>	<u><b>16,956</b></u>	<u><b>15,210</b></u>	<u><b>26,570</b></u>				<u><b>884,706</b></u>

Amounts classified above as staff costs include employment costs of £647,808 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	RD	Right Direction 2	COPD	(NHS Lothian and other funders)
WM	Welfare Matters	SMS	Self- Management Support		

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (Continued)

### 6. TANGIBLE FIXED ASSETS

	Fixtures, fittings and office equipment £	Total £
<b>COST</b>		
At 1 April 2023	79,133	79,133
Additions	12,712	12,712
Disposals	<u>(-)</u>	<u>(-)</u>
At 31 March 2024	<u>91,845</u>	<u>91,845</u>
<b>DEPRECIATION</b>		
At 1 April 2023	73,657	73,657
Charge for year	6,262	6,262
Disposals	<u>(-)</u>	<u>(-)</u>
At 31 March 2024	<u>79,919</u>	<u>79,919</u>
<b>NET BOOK VALUE</b>		
At 31 March 2024	<u><b>£11,926</b></u>	<u><b>£11,926</b></u>
At 31 March 2023	<u><b>£5,476</b></u>	<u><b>£5,476</b></u>

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

<b>7. DEBTORS</b>	<b>2024</b>	<b>2023</b>
Amounts falling due within one year:	£	£
Payroll and financial management service debtors	11,745	10,850
Accrued income	-	20,487
Other debtors	14,520	15,096
Prepayments	<u>14,614</u>	<u>6,557</u>
	<u><b>£40,879</b></u>	<u><b>£52,990</b></u>

<b>8. CREDITORS</b>		
Amounts falling due within one year:		
Payroll taxes	3,614	7,738
Accruals	18,469	19,045
Deferred income	2,195	8,098
Taxation and social security	90,083	-
Other creditors	<u>9,081</u>	<u>17,355</u>
	<u><b>£123,442</b></u>	<u><b>£52,236</b></u>

Movement in deferred income comprises:		
Deferred income brought forward	8,098	24,672
Deferred income brought forward defrayed in year	(8,098)	(16,574)
Income received in year or receivable at year-end and deferred due to funder restrictions on defrayment	<u>2,195</u>	<u>-</u>
	<u><b>£2,195</b></u>	<u><b>£8,098</b></u>

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (Continued)

### 9. MOVEMENT ON FUNDS

	At 01/04/23 £	Income £	Expenditure £	Net movement £	Transfers £	At 31/03/24 £
<b>Restricted Funds:</b>						
Right Direction 2 (Scottish Gov.)	60,724	156,251	(112,243)	44,008	-	104,732
CRSS (NHS Lothian)	730	12,494	(12,494)	-	-	730
CRSS (Other funders)	12,510	25,000	(3,344)	21,656	-	34,166
Capital project	14,400	-	-	-	-	14,400
Welfare Matters	31,386	35,377	(12,594)	22,783	-	54,169
Self-Management Support (Various)	<u>32,019</u>	<u>-</u>	<u>(27,151)</u>	<u>(27,151)</u>	-	<u>4,868</u>
Total restricted	<u>151,769</u>	<u>229,122</u>	<u>(167,826)</u>	<u>61,296</u>	-	<u>213,065</u>
<b>Unrestricted Funds:</b>						
Undesignated funds						
General fund	<u>305,873</u>	<u>769,014</u>	<u>(742,628)</u>	<u>26,386</u>	-	<u>332,259</u>
Total undesignated	<u>305,873</u>	<u>769,014</u>	<u>(742,628)</u>	<u>26,386</u>	-	<u>332,259</u>
Total unrestricted	<u>305,873</u>	<u>769,014</u>	<u>(742,628)</u>	<u>26,386</u>	-	<u>332,259</u>
<b>TOTAL FUNDS</b>	<b><u>£457,642</u></b>	<b><u>£998,136</u></b>	<b><u>£(910,454)</u></b>	<b><u>£87,682</u></b>	<b><u>£-</u></b>	<b><u>£545,324</u></b>

Further information on the purpose of each restricted fund is provided at page 12 of the report of the directors.

Other funders of CRSS comprise People's Postcode Trust and Queensberry House Trust.

Funders of Welfare Matters comprise City of Edinburgh Council on behalf of Edinburgh Integrated Joint Board, People's Postcode Trust, Huge Fraser Charitable Trust, Queensberry House Trust, The Conundrum Charitable Trust and the National Lottery Awards for All.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (Continued)

### 9. MOVEMENT ON FUNDS (continued)

#### 31 March 2023 Comparative figures

	At 01/04/22 £	Income £	Expenditure £	Net movement £	Transfers £	At 31/03/23 £
<b>Restricted Funds:</b>						
Right Direction 2 (Scottish Gov.)	21,350	148,024	(108,650)	39,374	-	60,724
COPD (NHS Lothian)	730	12,132	(12,132)	-	-	730
COPD (Other funders)	87	17,247	(4,824)	12,423	-	12,510
Capital project	-	14,400	-	14,400	-	14,400
Welfare Matters	15,719	30,877	(15,210)	15,667	-	31,386
Self-Management Support (Various)	<u>22,470</u>	<u>36,119</u>	<u>(26,570)</u>	<u>9,549</u>	-	<u>32,019</u>
Total restricted	<u>60,356</u>	<u>258,799</u>	<u>(167,386)</u>	<u>91,413</u>	-	<u>151,769</u>
<b>Unrestricted Funds:</b>						
Undesignated funds						
General fund	<u>346,234</u>	<u>676,959</u>	<u>(717,320)</u>	<u>(40,361)</u>	-	<u>305,873</u>
Total undesignated	<u>346,234</u>	<u>676,959</u>	<u>(717,320)</u>	<u>(40,361)</u>	-	<u>305,873</u>
Total unrestricted	<u>346,234</u>	<u>676,959</u>	<u>(717,320)</u>	<u>(40,361)</u>	-	<u>305,873</u>
<b>TOTAL FUNDS</b>	<b><u>£406,590</u></b>	<b><u>£935,758</u></b>	<b><u>£(884,706)</u></b>	<b><u>£51,052</u></b>	<b><u>£-</u></b>	<b><u>£457,642</u></b>

Further information on the purpose of each restricted fund is provided at page 12 of the report of the directors.

Other funders of COPD comprise The Robertson Trust, The Maple Trust and Souter Charitable Trust.

Funders of Welfare Matters comprise City of Edinburgh Council on behalf of Edinburgh Integrated Joint Board, Agnes Hunter Trust, Queensberry House Trust and the National Lottery Awards for All.

Funders of Self-management comprise NHS Lothian, Scottish Government and the National Lottery Awards for All.

### 10. LEASE AGREEMENTS

Minimum lease payments under operating leases fall due as follows:

	2024 Land and buildings £	2024 Office equipment £	2023 Land and buildings £	2023 Office equipment £
Within one year	19,741	2,158	22,560	4,795
Between one and five years	-	-	-	2,198
After five years	-	-	-	-
	<u>£19,741</u>	<u>£2,158</u>	<u>£22,560</u>	<u>£6,993</u>

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (Continued)

### 11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

	Unrestricted funds £	Restricted funds £	2024 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Fixed assets	11,926	-	11,926	5,476	-	5,476
Net current assets	<u>320,333</u>	<u>213,065</u>	<u>533,398</u>	<u>300,397</u>	<u>151,769</u>	<u>452,166</u>
	<b><u>£332,259</u></b>	<b><u>£213,065</u></b>	<b><u>£545,324</u></b>	<b><u>£305,873</u></b>	<b><u>£151,769</u></b>	<b><u>£457,642</u></b>

### 12. LIABILITY FOR VAT

In previous years LCiL has been in dispute with H M Revenue & Customs regarding the treatment of its income from its payroll services provided to service users in receipt of self directed support. The Trustees have now accepted that this income under current interpretation of the legislation is subject to VAT. While the final liability has yet to be agreed, a provision of £90,083 has been included in the income and expenditure account under payroll services with a corresponding liability in creditors.

### 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 financial statements.

### 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 2024 these client account balances totalled £2,531,381 (2023 £3,049,261). 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 2024 and 2023 is included in these financial statements within income from charitable activities.

## LOTHIAN CENTRE FOR INCLUSIVE LIVING

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (Continued)

#### 16. CASH AND CASH EQUIVALENTS

	2024	2023
	£	£
Cash at bank and in hand	<u>£615,961</u>	<u>£451,412</u>

#### 17. CASH FLOWS FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net income/ (expenditure) for the year	87,682	51,052
Depreciation	6,262	2,020
(Increase)/ decrease in debtors	12,111	(2,518)
Increase/ (decrease) in creditors	<u>71,206</u>	<u>(5,681)</u>
	<u>£177,261</u>	<u>£44,873</u>

#### 18. RELATED PARTY TRANSACTIONS

During the year unrestricted donation income totalling £Nil (2023 -£512) was received from related parties.