Company number SC129392
Charity number SC017954

LOTHIAN CENTRE FOR INCLUSIVE LIVING

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2025

BROWN, SCOTT & MAIN

Chartered Accountants and Statutory Auditor

LOTHIAN CENTRE FOR INCLUSIVE LIVING

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CONTENTS

	Pages
Company information	2
Report of the directors	3 – 11
Independent auditors' report	12 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 28

LOTHIAN CENTRE FOR INCLUSIVE LIVING

COMPANY INFORMATION

CONVENOR	JeffreyAdamson (resigned on 30 June 2025 – passed away 14 Jan 2025) Dugald McArthur (Acting)
OTHER DIRECTORS	Elizabeth Pearston Elizabeth Adamson (resigned on 30 June 2025) Balkishan Agrawal Eleanor Orr Lucy Tait (appointed on 30 June 2025) James Nicol (appointed on 30 June 2025) Heather Smith (app. on 30 June 2025; res. 20 Dec 2025) Lyn Pornaro (appointed on 19 September 2025)
CHIEF EXECUTIVE	Narek Bido
TREASURER	Elizabeth Pearston
REGISTERED OFFICE	Norton Park Centre 57 Albion Road Edinburgh
AUDITORS	Brown, Scott & Main 91 West Savile Terrace Edinburgh
BANKERS	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 2025, 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. During the reporting year, the Finance and Operations Lead was appointed as Company Secretary and attended Board meetings in a non-voting capacity, covering this role while the Operations Manager was on maternity leave.

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.

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 within a changing and competitive environment where sustainable funding remains uncertain, particularly as local authority budgets face ongoing cuts and reductions. To remain resilient, LCiL actively monitors potential funding and development opportunities and adapts to emerging challenges.

Financial insecurity remains a key risk. The organisation closely tracks service demand and trends, reviewing long-term options to ensure sustainability. Commissioning and procurement processes across the four Lothian Councils continue to evolve, potentially affecting future funding levels. LCiL maintains transparent and positive relationships with local authorities, providing regular updates on service delivery and user feedback. These relationships enable early awareness of any funding changes, supporting effective planning and risk management.

The fundraising strategy continues to generate income from a range of Trusts, Foundations, and other grant funders. This supports existing services, new project development, and contributes to core operational costs that sustain delivery and investment.

LCiL was retrospectively registered for VAT following agreement with HMRC. All VAT returns due were submitted and settled in April 2025. LCiL continues to operate under the VAT Annual Accounting Scheme and is progressing towards an agreed resolution with HMRC. A communication strategy is in place to engage with Local Authorities and service users on any related implications.

Staff turnover, particularly at senior level, has been carefully managed. Following the Chief Executive's departure in December 2024, an interim appointment ensured stability and supported recruitment of a permanent successor, who took up post in July 2025.

LCiL's policies are reviewed regularly to ensure they remain up to date, effectively implemented, and monitored. Directors contribute actively to these reviews to ensure strong governance and risk oversight. The Chief Executive provides regular risk analyses to the Board, highlighting:

- Project funding timescales and exit strategies
- Unexpected increases in overheads
- Internal issues that could result in formal action
- Complaints or potential complaints from service users or stakeholders
- Significant external policy or legislative changes
- Staff matters

LCiL continues to strengthen its hybrid working model, ensuring accessibility, flexibility, and wellbeing. Staff mental health remains a priority, supported through ongoing supervision, initiatives, training and resources.

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

During 2024–25, LCiL experienced an increase in staff turnover and long-term sickness absence, including among key management personnel. This presented challenges to staffing capacity; however, the management team, supported by the Board, implemented effective adjustments to ensure that LCiL continued to meet its contractual obligations and deliver high-quality advice, information, and support services that promote and protect the rights of disabled people and their carers.

During the reporting period, several appointments were made to strengthen LCiL's capacity and support effective service delivery:

- Service & Development Lead and Finance & Operations Lead – These roles were established to partially replace the previous Deputy CEO position, providing dedicated leadership for core service delivery while overseeing the organisation's financial and operational functions.
- Finance Officer and Fundraiser – These posts were filled to enhance financial management, strengthen fundraising capacity, and reduce organisational risk.
- Two Facilitators and a Service Manager – Recruited to the Peer Support and Learning (PSL) team, with increased hours to maintain service continuity following staff changes.
- Communications and Events Officer – Appointed to improve website content, strengthen communications, and increase engagement across digital and traditional channels. Elements of this role were previously covered by a non-dedicated post.
- FMS Administrator – Added to boost team capacity and improve operational efficiency.
- Two Disability Advice and Information Officers – Appointed to fill vacancies within the team and extend the reach of the service.

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

During the reporting period, LCiL continued to participate in key national and local forums, contributing to developments and amplifying the voices of disabled people and their carers:

- National Self-Directed Support (SDS) Collaboration Group, including a sub-group developing monitoring and evaluation for the SDS Improvement Plan.
- Disability Equality Strategy Steering Group and Scottish Independent Living Coalition.
- Edinburgh Voluntary Organisations Council (EVOC) disability and carers forum.
- User-led SDS forum in West Lothian and Forward Mid in Midlothian.

During the same period, LCiL:

- Participated in two Scottish Parliament Roundtable events on Edinburgh planning accessibility (George Street redevelopment) and the Social Security (Amendment) Bill.
- Engaged in consultations on proposals for a National Care Service.
- Met with the then First Minister, Humza Yousaf, alongside other Disabled People's Organisations to discuss a national Disability Equality Strategy.

- Joined the co-production group to re-open the Independent Living Fund, continuing to inform its implementation post-April 2024.
- Met with the Chair of the Adult Disability Payment Review as part of consultation and evidence-gathering.

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

LCiL continued to support disabled people who employ Personal Assistants (PAs). The Independent Living Service, Payroll and FMS, and Peer Support and Learning (PSL) services worked closely with local authorities and partners, enabling disabled people to understand and confidently meet their responsibilities as employers.

With ongoing Scottish Government Support in the Right Direction (SiRD) funding, LCiL further developed its menu of peer support, delivering user-led group work across Edinburgh and the Lothians.

Service user feedback:

- "I would not manage my self-directed funding or staffing issues without them."
- "LCiL is important to me...being a proud LCiL Champion and meeting new friends."
- "User-led and provides clear guidance on complex rules/laws relating to disability benefits and SDS."
- "LCiL is helping me bridge the gap from having no formal support...peer group sessions are great."

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.

Independent Living Service (ILS)
The Independent Living Service provided independent advice and one-to-one support to disabled people, their families, and carers across all four local authorities. Support included guidance on all aspects of Self-Directed Support (SDS), identifying needs, preparing for assessments, understanding rights, recruiting and managing Personal Assistants (PAs), and accessing payroll services. The team also liaised with local authorities and partner organisations, including VOCAL, RNIB, ILFS, and SDSS, to promote informed choice and self-advocacy.

In 2024–25, ILS supported 611 people and delivered 2,172 hours of support, with Edinburgh accounting for over half. The service continues to receive referrals from social work, voluntary organisations, and self-referrals.

Disability Advice and Information Service (DAIS)
DAIS (Formerly Grapevine) provided specialist advice on disability benefits, welfare entitlements, housing, transport, and employment, empowering service users to maximise income and improve financial stability. Funded by multiple partners - including the City of Edinburgh Council, Henry Smith Charity, and National Lottery - the service offered one-to-one advice, workshops, and online sessions.

From April 2024 to March 2025, DAIS supported 331 service users and received referrals from health services, Job Centre Plus, and third-sector partners. Despite temporary staff shortages, the team maintained the delivery of the service and managed a short waiting list.

The Community Respiratory Support Service, part of DAIS, assisted 35 individuals with lung and respiratory conditions and will continue one day per week without external funding.

Peer Support and Learning (PSL)
PSL facilitated 16 peer groups and workshops for disabled people and carers across Edinburgh and the Lothians, providing space to share experiences and build confidence in managing SDS and wellbeing. Topics included SDS options, social care planning, and transitions. PSL also provided one-to-one follow-up support and collaborated with partners such as The Action Group, VOCAL, and Carers of West Lothian.

After a brief service pause due to staffing issues (July–November 2024), PSL relaunched and supported 50 service users. Volunteer Champions—now numbering 12—remained integral to delivery, sharing lived experience and contributing to training and events.

Champions Programme
The Champions Programme was restructured into two strands: Community Ambassadors and Peer Facilitators. Volunteers received training through the Recovery Network and began co-facilitating workshops and community projects. Highlights included speaking at the relaunch event, engaging with Napier University, contributing to accessibility consultations, and delivering lived experience education to social work students.

Service Users Payroll and Financial Management Service (FMS)
The Payroll and FMS teams supported 514 disabled employers, including 150 using both payroll and FMS. Together they managed 975 PAs across the four local authorities. The services ensured accurate and timely wage processing, liaised with HMRC and pension providers, and maintained close contact with councils to verify funding accuracy.

By relieving administrative pressures, the services enabled more people to choose SDS Option 1 confidently. The FMS also safeguarded against reclaim errors by ensuring correct rates and payments before returns. The service continues to be vital in maintaining independence and stability for PA employers and their families.

Service Outcomes (2024 - 25)
- Increased knowledge of SDS and benefits
- Improved financial circumstances and confidence
- Enhanced awareness of local and specialist support
- Greater confidence as PA employers and in managing direct payments
- Improved personal wellbeing and self-advocacy
- Service users valued being listened to and having flexible, accessible support

FINANCIAL REVIEW
On 31 March 2025 the charity's net assets were £628,246 (2024 £545,324) comprising an accumulated surplus on unrestricted funds of £358,342 (2024 £332,259) and an accumulated surplus on restricted funds of £269,904 (2024 £213,065). 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 – 2024/25
Local authority funding remains the primary source of income for the Independent Living Service (ILS), with the City of Edinburgh Council (CEC) representing the largest contract.

The CEC extended its ILS contract to December 2024, after which LCiL was successfully awarded the new tender in February 2025.

The contract with Midlothian Council is currently on a year-on-year basis.
- City of Edinburgh - £237,305
- East Lothian - £41,504
- Midlothian - £20,330
- West Lothian - £38,000

LCiL secured renewed Scottish Government Support in the Right Direction (SiRD) funding (2024-27) to expand our Peer Support & Learning service across Edinburgh and the Lothians, including tailored sessions for carers from Black and Minority Ethnic communities.

We also partnered with Voices of Carers Across Lothians (VOCAL) to support carers choosing to become Personal Assistant (PA) employers.

Funding was secured from several sources to sustain and develop the Disability Advice and Information Service (DAIS), formerly Grapevine, which provides welfare benefits advice, income maximisation, and financial literacy workshops for disabled people affected by rising living costs:

- City of Edinburgh Council - one year - Longstone Project
- The Robertson Trust - three years (2024-27) - Cost of Living Support Service
- The Henry Smith Charity – three years (2024-27) - Improving Lives Project
- The National Lottery – one year - Cost of Living Support Service

The Service Users Payroll contract was extended to September 2024, with LCiL remaining a provider on the City of Edinburgh Council Framework until January 2025. Thereafter, LCiL did not apply for the new tender but continues to support existing users.

- No formal contractual arrangements remain for the Payroll Service in East, Mid, or West Lothian, or with CEC from January 2025.
- East, Mid, and West Lothian local authorities continue to fund Direct Payment recipients using LCiL Payroll in full. Edinburgh service users receive funding at the lowest provider rate, contributing any shortfall themselves.

East Lothian also maintains a spot-purchase arrangement for a minimum of 30 service users per month to access LCiL's Financial Management Service, with fees included in care packages.

LCiL's financial stability and long-term sustainability remain key priorities for the Board and Management Team. During the reporting period, the Fundraising Officer submitted multiple applications to smaller Trusts and Foundations to strengthen funding resilience.

Restricted funds

- Scottish Government Support in the Right Direction funding for the Peer Support and Learning service.
- Community Respiratory Support Service 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.
- The Edinburgh Integrated Joint Board funding, which has been extended for 2024/25, for the Disability Advice and Information Service
- Convention of Scottish Local Authorities funding for Prevention Project 2024/25.
- The National Lottery Community funding for Cost-of-Living Service.
- The Robertson Trust funding for the Disability Information Service.
- Henry Smith Charity grant for Improving Lives Project.

Funding and Fundraising

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.

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.

We wish to record our sincere gratitude and appreciation for the financial support received during the reporting period. Funding was provided by several commissioning bodies and charitable funders, helping us to further our aims. The organisations that supported LCiL during the 2024/25 financial year are listed below in alphabetical order.

- Access to Work
- Convention of Scottish Local Authorities (COSLA)
- Council – City of Edinburgh
- Council - East Lothian
- Council – Mid Lothian
- Council West Lothian
- Edinburgh Integrated Joint Board
- The Henry Smith Charity
- The National Lottery
- NHS Lothian
- The Robertson Trust
- The Scottish Government – Support in the Right Direction (SiRD)
- Voices of Carers Across Lothians (VOCAL)

We also extend our thanks to the many corporations, organisations, national initiatives, and individual donors whose grants and contributions enhanced our activities and strengthened support for our service users.

- Buccleuch Charitable Trust
- Cruden Foundation
- Edinburgh Rotary Jubilee Trust
- The Hugh Fraser Foundation
- Individual Donors
- James T Howat Trust
- John Kirkhope Young Endowment Fund
- Leith Gaves
- Marsh Charitable Trust

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 H M 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
LCiL is entering an exciting period of innovation and growth. We are restructuring to streamline services, improve coordination, and strengthen long-term financial sustainability. New technologies are being explored to make it easier for service users to access information, manage support, and connect with staff. Our digital inclusion and peer mentoring initiatives are also expanding to ensure that individuals isolated by geography or technology can continue to participate fully.

LCiL will continue to build on its position as one of Scotland's leading Disabled People's Organisations while fostering innovation and collaboration. Funding for most services remains secure for the next two to three years, although some grants are due to expire in March 2025. The Management Team and Fundraising Officer are developing a fundraising strategy to secure sustainable income for all LCiL services.

Our key priorities include extending our reach, enhancing digital access, and piloting initiatives that promote financial stability and reduce poverty among disabled people. Equity, diversity, and inclusion remain central to our mission, ensuring that our work reflects and responds to the communities we serve.

The organisation's fundamental aim is to continue empowering disabled people to exercise choice and control, live independently, and lead fulfilling lives. By strengthening our foundations for growth, LCiL will continue to deliver lasting impact while remaining true to its person-centred, rights-based ethos.

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:

Directors Name	Role	Date Appointed as Director	Date Resigned / End of Mandate (if applicable)
Jeff Adamson	Chairperson	29/11/2001	14/01/2025
Elizabeth Pearston	Director and Board Treasurer	08/12/2003	
Elizabeth Adamson	Director	15/12/2016	30/06/2025
Dugald McArthur	Acting Chairperson	15/12/2016	
Balkishan Agrawal	Director	19/03/2019	
Eleanor Orr	Director	24/04/2023	
James Nicol	Director	30/06/2025	
Lucy Tait	Director	30/06/2025	
Heather Smith	Director	30/06/2025	20/12/2025
Lyn Pornaro	Director	19/09/2025	

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 2025 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 2025 and is in force now.

REPORT OF THE DIRECTORS (CONTINUED)

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

E L PEARSTON, DIRECTOR

23 **December 2025**

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 'charity') for the year ended 31 March 2025, which comprise a Statement of Financial Activities, incorporating the income and expenditure account, 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 charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 the provisions available for small entities, in the circumstances set out below, and we have fulfilled our other 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.

Provisions available for small entities

We, as auditors, provided the following non-audit services, accountancy services. We have taken advantage of the exemptions available under Ethical Standard paragraph 6.15.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' 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.

Opinion on other matter 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.

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

Matters on which we are required to report by exception

In the light of our 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records; 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 directors' responsibilities statement set out on page 3, 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 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 auditors' 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- 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 Charities and Trustee Investment (Scotland) Act 2005, Companies Act 2006 and current financial reporting standards, ensuring compliance by reviewing the financial statements disclosures and ensuring these agreed to underlying documentation;
- we considered the extent of compliance with those laws and regulations, in additional to others, having an indirect impact on the financial statements, 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, a review of board minutes and the review of legal correspondence, where available; and
- we communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

The extent to which the audit was considered capable of detecting irregularities including fraud (*continued*)

We addressed the risk of fraud through management override of controls, by performing analytical procedures over income recognition, 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. Enquiries were made of management as to whether their assessment had revealed any known, alleged or suspected instances of override of control. We reviewed the instances of related parties and remained alert to the possibility of further related party transactions.

We identified areas of significant risk, those being more susceptible to fraud or having a higher degree of uncertainty. Specifically, we have addressed the significant fraud risk relating to income recognition by reviewing the board minutes and obtaining relevant documentation supporting the income and ensuring this is in line with the policies disclosed within the notes to the financial statements.

Further risks were identified at the planning stage of the audit, included the Going concern assumption. Management prepared documents were obtained, which were reviewed and queried. Extensions to funding were confirmed and sensitivity analysis performed over management projection in determining the applicability of the going concern assumption.

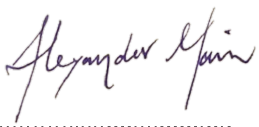
We identified the risk of misstatement through inappropriate allocation of both income and expenditure to unrestricted and restricted funds. Through our tests of detail we were able to confirm the allocation as performed.

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 is available on the Financial Reporting Council's website at: 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2016. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our work, for this report, or for the opinions we have formed.



.....

Alexander Main (Senior Statutory Auditor)
For and on behalf of Brown, Scott & Main, Statutory Auditor

91 West Savile Terrace
Edinburgh
EH9 3DP

Date: 23 December 2025

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

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total £	Unrestricted funds £	Restricted funds £	2024 Total £
Income from:							
Donations and legacies							
Donations		931	-	931	990	-	990
Legacies		135,267	-	135,267	-	-	-
		136,198	-	136,198	990	-	990
Income from investments							
Bank interest		1,783	-	1,783	6,327	-	6,327
Income from charitable activities							
Grants	3	48,844	321,118	369,962	45,620	216,628	262,248
Service level agreements	3	342,210	12,870	355,080	481,463	12,494	493,957
Payroll and financial management fees		193,672	-	193,672	231,033	-	231,033
Consultancy fees and other income		-	-	-	3,581	-	3,581
		584,726	333,988	918,714	761,697	229,122	990,819
Total income		722,707	333,988	1,056,695	769,014	229,122	998,136
Expenditure on:							
Raising funds		-	-	-	-	-	-
Charitable activities		696,624	277,149	973,773	742,628	167,826	910,454
Total expenditure	5	696,624	277,149	973,773	742,628	167,826	910,454
Net (expenditure)/ income		26,083	56,839	82,922	26,386	61,296	87,682
Transfers between funds		-	-	-	-	-	-
Net movement in funds		26,083	56,839	82,922	26,386	61,296	87,682
Reconciliation of funds:							
Total funds brought forward	9	332,259	213,065	545,324	305,873	151,769	457,642
Total funds carried forward	9	**£358,342**	**£269,094**	**£628,246**	**£332,259**	**£213,065**	**£545,324**

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 2025 **Company number SC129392**

	Notes	2025	2024
		£	£
Fixed assets			
Tangible assets	6	11,954	11,926
Current assets			
Debtors	7	51,962	40,879
Cash at bank and in hand		792,230	615,961
		844,192	656,840
Liabilities			
Creditors falling due within one year	8	227,900	123,442
Net current assets		616,292	533,398
Total assets less current liabilities		628,246	545,324
Creditors falling due after one year		-	-
Net assets		**£628,246**	**£545,324**
Funds of the charity:			
Unrestricted income funds	9	358,342	332,259
Restricted income funds	9	269,904	213,065
		£628,246	**£545,324**

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 23December 2025 and signed on its behalf by:

E L Pearston L Pornaro

E L PEARSTON **L PORNARO**
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 2025

	Notes	2025	2024
		£	£
Cash flows from operating activities:			
Net cash provided/ (utilised) by operating activities	17	182,909	177,261
Cash flows from investing activities:			
Purchase of tangible fixed assets		(6,640)	(12,712)
Change in cash and cash equivalents in the reporting period		176,269	164,549
Cash and cash equivalents at the beginning of the reporting period		615,961	451,412
Cash and cash equivalents at the end of the reporting period	16	**£792,230**	**£615,961**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 8 of the Report of the Directors. The charity had five restricted funds during the year: Right Direction 2, CRSS (NHS Lothian), CRSS (Other funders), DAIS, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (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.

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.

2. NET INCOMING RESOURCES FROM ORDINARY ACTIVITIES

	2025 £	2024 £
Net incoming resources from ordinary activities is stated after charging:		
Depreciation	6,612	6,262
Operating lease charges – land and buildings	47,377	46,694
Operating lease charges – office equipment	4,695	4,695
Auditors' remuneration for audit services	8,467	8,400
Auditors' remuneration for non-audit services	-	4,200

3. GRANT AND SERVICE LEVEL AGREEMENT INCOME

	2025 Unrestricted £	2025 Restricted £	2025 Total £	2024 Unrestricted £	2024 Restricted £	2024 Total £
Government grants						
City of Edinburgh Council on behalf of Edinburgh Integrated Joint Board	-	18,788	18,788	-	20,877	20,877
Scottish Government	-	147,984	147,984	-	155,751	155,751
	-	166,772	166,772	-	176,628	176,628
Other grants						
Buccleuch Charitable Trust	250	-	250	-	-	-
Convention of Scottish Local Authorities	-	40,000	40,000	-	-	-
Cruden Foundation	500	-	500	-	-	-
James T Howat Trust	500	-	500	-	-	-
John Kirkhope Young Endowment Fund	1,000	-	1,000	-	-	-
Marsh Charitable Trust	500	-	500	-	-	-
The National Lottery	46,094	25,000	71,094	3,120	10,000	13,120
Rotary Club of Edinburgh	-	1,000	1,000	-	-	-
The Henry Smith Charity	-	27,800	27,800	-	-	-
The Robertson Trust	-	35,000	35,000	-	-	-
Voices of Carers Across Lothians (VOCAL)	-	25,546	25,546	-	-	-
Queensberry House Trust	-	-	-	-	5,000	5,000
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
Hugh Fraser Charitable Trust	-	-	-	-	5,000	5,000
M&G Investments	-	-	-	-	2,500	2,500
Sir Jules Thorn Charitable Trust	-	-	-	2,500	-	2,500
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
Leith Gives	-	-	-	-	500	500
Waburtons Community Grants	-	-	-	400	-	400
	48,844	154,346	203,190	45,620	40,000	85,620
Total grants	**£48,844**	**£321,118**	**£369,962**	**£45,620**	**£216,628**	**£262,248**

3. GRANT AND SERVICE LEVEL AGREEMENT INCOME (continued)

	2025 Unrest-ricted £	2025 Rest-ricted £	2025 Total £	2024 Unrest-ricted £	2024 Rest-ricted £	2024 Total £
Service level agreements						
City of Edinburgh Council	241,361	-	241,361	381,628	-	381,628
West Lothian Council	38,000	-	38,000	38,000	-	38,000
East Lothian Council	41,504	-	41,504	41,504	-	41,504
Midlothian Council	21,345	-	21,345	20,331	-	20,331
NHS Lothian CRSS	-	12,870	12,870	-	12,494	12,494
	£342,210	**£12,870**	**£355,080**	**£481,463**	**£12,494**	**£493,957**

4. EMPLOYEES AND DIRECTORS

	2025 £	2024 £
Details of staff costs are as follows:		
Gross salaries	629,589	555,199
Employer's national insurance	44,308	38,465
Defined contribution pension scheme cost	40,855	40,766
	£714,752	**£634,430**

No remuneration was paid to and no benefits were provided to directors during the year (2024 £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	24	22
Administration	1	1
	28	26

During the year the company paid no expenses on behalf of directors (2024 £nil).

Employee and employer contributions totalling £nil (2024 £6,249) were payable to the defined contribution scheme at the year-end.

Key management personnel comprises the Chief Executive, Services and Development Lead and Operations and Finance Lead. During the year key management remuneration including employer pension contributions totalled £116,499 (2024 £88,936).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Continued)

5. TOTAL EXPENDITURE

	EXPENDITURE ON CHARITABLE ACTIVITIES							
	RF	ILS	PAY	DAIS (CEC)	RD	CRSS	DAIS	SMS	2025
	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities									
Staff and temporary staff	-	181,516	185,166	23,672	119,086	17,227	60,033	-	586,700
Recruitment	-	2,241	2,249	-	720	-	240	-	5,450
Service delivery costs	-	-	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-	-
VAT expenses	-	-	-	-	-	-	-	-	-
	-	183,757	187,415	23,672	119,806	17,227	60,273	-	592,150
Support costs allocated to activities [basis of allocation]									
Staff costs [staff time]	-	35,167	87,612	43,315	-	-	-	-	166,094
Premises costs [floor area; per capita]	-	17,333	14,056	7,061	7,979	540	6,502	-	53,471
Office and administration [usage; per capita]	-	25,343	38,443	14,087	50,712	1,014	13,096	-	142,695
Bank charges [usage; per capita]	-	1,113	3,171	-	-	-	-	-	4,284
Audit fee [usage; per capita]	-	3,554	2,718	2,195	-	-	-	-	8,467
Accountancy fee [usage; per capita]	-	-	-	-	-	-	-	-	-
Contribution (from)/ to projects and core activities	-	-	-	-	-	-	-	-	-
Depreciation [usage; per capita]	-	2,775	2,123	1,714	-	-	-	-	6,612
	-	85,285	148,123	68,372	58,691	1,554	19,598	-	381,623
	-	**269,042**	**335,538**	**92,044**	**178,497**	**18,781**	**79,871**	-	**973,773**

Amounts classified above as staff costs include employment costs of £714,752 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
DAIS(CEC) formerly known as Grapevine
RD Right Direction 2
CRSS formerly known as COPD (NHS Lothian and other funders)
DAIS formerly known as Welfare Matters
SMS Self- Management Support

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Continued)

5. TOTAL EXPENDITURE (continued)

Comparative figures 2024	< EXPENDITURE ON CHARITABLE ACTIVITIES							>
	RF	ILS	PAY	GV	RD	COPD	WM	SMS	2024
	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities									
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
VAT expenses	-	-	90,083	-	-	-	-	-	90,083
Bad debts	-	3,864	7,237	-	-	-	-	-	11,101
	-	197,130	226,879	42,000	88,689	13,760	9,478	24,035	601,971
Support costs allocated to activities [basis of allocation]									
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
Depreciation [usage; per capita]	-	1,982	2,298	1,982	-	-	-	-	6,262
	-	128,660	112,097	35,862	23,554	2,078	3,116	3,116	308,483
	-	**325,790**	**338,976**	**77,862**	**112,243**	**15,838**	**12,594**	**27,151**	**910,454**

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
COPD (NHS Lothian and other funders)
WM Welfare Matters
SMS Self- Management Support

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings and office equipment	Total
	£	£
COST		
At 1 April 2024	91,845	91,845
Additions	6,640	6,640
Disposals	(64,577)	(64,577)
At 31 March 2025	33,908	33,908
DEPRECIATION		
At 1 April 2024	79,919	79,919
Charge for year	6,612	6,612
Disposals	(64,577)	(64,576)
At 31 March 2025	21,954	21,954
NET BOOK VALUE		
At 31 March 2025	**£11,954**	**£11,954**
At 31 March 2024	**£11,926**	**£11,926**

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

7. DEBTORS

	2025	2024
Amounts falling due within one year:	£	£
Payroll and financial management service debtors	11,999	11,745
Other debtors	24,930	14,520
Prepayments	15,033	14,614
	£51,962	**£40,879**

8. CREDITORS

Amounts falling due within one year:		
Payroll taxes	11,770	3,614
Accruals	36,730	18,469
Deferred income	39,065	2,195
Taxation and social security	119,888	90,083
Other creditors	20,447	9,081
	£227,900	**£123,442**
Movement in deferred income comprises:		
Deferred income brought forward	2,195	8,098
Deferred income brought forward defrayed in year	(2,195)	(8,098)
Income received in year or receivable at year-end and deferred due to funder restrictions on defrayment	39,065	2,195
	£39,065	**£2,195**

9. MOVEMENT ON FUNDS

	At 01/04/24	Income	Expenditure	Net movement	Transfers	At 31/03/25
	£	£	£	£	£	£
Restricted Funds:						
Right Direction 2 (Scottish Gov.)	104,732	173,530	(178,497)	(4,967)	-	99,765
CRSS (NHS Lothian)	730	12,870	(12,870)	-	-	730
CRSS (Other funders)	34,166	-	(5,911)	(5,911)	-	28,255
Capital project	14,400	-	-	-	-	14,400
DAIS	54,169	147,588	(79,871)	67,717	-	121,886
Self-Management Support (Various)	4,868	-	-	-	-	4,868
Total restricted	213,065	333,988	(277,149)	56,839	-	269,904
Unrestricted Funds:						
Undesignated funds						
General fund	332,259	587,440	(671,046)	(83,606)	-	248,653
Total undesignated	332,259	587,440	(671,046)	(83,606)	-	248,653
Designated funds						
JB Legacy	-	135,267	(25,578)	109,689	-	109,689
Total designated	-	135,267	(25,578)	109,689	-	109,689
Total unrestricted	332,259	722,707	(696,624)	26,083	-	358,342
TOTAL FUNDS	**£545,324**	**£1,056,695**	**£(973,773)**	**£82,922**	**£ -**	**£628,246**

Further information on the purpose of each restricted fund is provided at page 8 of the report of the directors.

Funders of DAIS comprise Convention of Scottish Local Authorities, Edinburgh Health and Social Care Partnership, National Lottery, Rotary Club Edinburgh, The Henry Smith Charity and The Robertson Trust.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Continued)

9. MOVEMENT ON FUNDS (continued)

31 March 2023 Comparative figures

	At 01/04/23	Income	Expenditure	Net movement	Transfers	At 31/03/24
	£	£	£	£	£	£
Restricted Funds:						
Right Direction 2 (Scottish Gov.)	60,724	156,251	(112,243)	44,008	-	104,732
COPD (NHS Lothian)	730	12,494	(12,494)	-	-	730
COPD (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)	32,019	-	(27,151)	(27,151)	-	4,868
Total restricted	151,769	229,122	(167,826)	61,296	-	213,065
Unrestricted Funds:						
Undesignated funds						
General fund	305,873	769,014	(742,628)	26,386	-	332,259
Total undesignated	305,873	769,014	(742,628)	26,386	-	332,259
Total unrestricted	305,873	769,014	(742,628)	26,386	-	332,259
TOTAL FUNDS	**£457,642**	**£998,136**	**£(910,454)**	**£87,682**	**£ -**	**£545,324**

Further information on the purpose of each restricted fund is provided at page 8 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:

	2025 Land and buildings	2025 Office equipment	2024 Land and buildings	2024 Office equipment
	£	£	£	£
Within one year	19,741	2,757	19,741	2,158
Between one and five years	-	-	-	-
After five years	-	-	-	-
	£19,741	**£2,757**	**£19,741**	**£2,158**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Continued)

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

	Unrestricted funds £	Restricted funds £	2025 Total £	Unrestricted funds £	Restricted funds £	2024 Total £
Fixed assets	11,954	-	11,954	11,926	-	11,926
Net current assets	346,388	269,904	616,292	320,333	213,065	533,398
	£358,342	**£269,904**	**£628,246**	**£332,259**	**£213,065**	**£545,324**

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. The final agreed liability for previous years amounted to £95,114, and together with the provision for current year, has been included 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 2025 these client account balances totalled £2,364,699 (2024 £2,531,381). 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 2025 and 2024 is included in these financial statements within income from charitable activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Continued)

16. CASH AND CASH EQUIVALENTS

	2025	2024
	£	£
Cash at bank and in hand	£792,230	£615,961

17. CASH FLOWS FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net income/ (expenditure) for the year	82,922	87,682
Depreciation	6,612	6,262
(Increase)/ decrease in debtors	(11,083)	12,111
Increase/ (decrease) in creditors	104,458	71,206
	£182,909	£177,261

18. RELATED PARTY TRANSACTIONS

During the year unrestricted donation income totalling £400 (2024 £nil) was received from related parties.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	£	£
Cash flows from operating activities:		
Net cash provided/ (utilised) by operating activities	182,909	177,261
Cash flows from investing activities:		
Purchase of tangible fixed assets	(6,640)	(12,712)
Change in cash and cash equivalents in the reporting period	176,269	164,549
Cash and cash equivalents at the beginning of the reporting period	615,961	451,412
Cash and cash equivalents at the end of the reporting period	**£792,230**	**£615,961**

CASH AND CASH EQUIVALENTS

Cash at bank and in hand	**£792,230**	**£615,961**

CASH FLOWS FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net income/ (expenditure) for the year	82,922	87,682
Depreciation	6,612	6,262
(Increase)/ decrease in debtors	(11,083)	12,111
Increase/ (decrease) in creditors	104,458	71,206
	£182,909	**£177,261**

LCIL
Audit for the year ended 31 March 2025
Unadjustment misstatement

Appendix 2

Sch	Details	Effect on SOFA DR	Effect on SOFA CR
ARITHMETIC & DISCLOSURE ERRORS			
P2	Understated salary costs per reconciliation	88	
H2.2	Extrapolated bad debt	3,902	
H2.2	Understated FMS & payroll income		3,001
M2	Overstated salary costs to restricted fund	11,663	
		15,653	3,001
	Net effect of potential errors on unrestricted SOFA	**-12,652**	

Considered the effect of the unadjusted errors on the financial statements individually and overall.
There is no material effect on the financial statements arising from the unadjusted errors listed above