

LOTHIAN VETERANS' CENTRE LIMITED

FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED 31 MARCH 2017**

**Company registration Number SC362801
Charity Number SC040690**

**PETER MULHOLLAND
CHARTERED ACCOUNTANT
MILLBANK
EDDLESTON
NR. PEEBLES
EH45 8QP**

**LOTHIAN VETERANS' CENTRE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

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LOTHIAN VETERANS' CENTRE LIMITED

The Trustees who are directors for the purposes of the Companies Act, present their report and financial statements of the charity for the year ended 31 March 2017.

Reference and Administrative Information

Charity Name: Lothian Veterans' Centre Limited

Charity Registration Number: SC040690

Company Registration Document SC362801

Registered Office and operational address
11 Eskdaill Court
Dalkeith
EH22 1AG

Directors	Bruce Smith Paul Hayllor Alexander Docker Huw Bell Lee Wilson	Chairman (resigned October 16) Chairman (appointed October 16) Financial Director
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Senior Manager Bruce Smith

Independent Accountant Peter Mulholland
Chartered Accountant
Millbank
Eddleston
EH45 8QP

Bankers Bank of Scotland
47 High Street
DALKEITH
EH22 1JA

**LOTHIAN VETERANS' CENTRE LIMITED
YEAR ENDED 31 MARCH 2017
TRUSTEES REPORT**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Lothian Veterans Centre is governed by trustees who are directors in terms of the Companies Act. All trustees are volunteers and are required to be members of Lothian Veterans Centre. Trustees may not be paid employees of Lothian Veterans Centre

Organisation and Management

Day to day management and operations are delegated to the Centre Manager (to October 16) or Operations Director (from October 16). The board of trustees meets a minimum of four times per annum, with the Chairperson meeting more regularly with the Operations Director.

Governing Document

The organisation is a charitable company limited by guarantee. The company was established under a Memorandum & Articles of Association which established the objects and powers of the charitable company and it is governed under the Articles of Association. In the event of the company being wound up members are requested to contribute an amount not exceeding £ 1.

Risk Management

The Trustees have examined the major strategic business and operational risks which the charity faces and confirms that the systems in place enable regular reports to be provided so that the necessary steps can be taken to minimise any potential risks.

OBJECTIVES AND ACTIVITIES

The purpose of the charity is to provide support to ex-service personnel and their families, with a range of services to deal with challenges associated with their service and transition into civilian life. In order to effectively achieve this the following objectives are pursued:

- To provide help and support to members of the armed forces, former member of the armed forces, members of the Territorial Army who have seen active service, members of the merchant marine (in times of war) and their families.
- To alleviate the suffering and distress of those who are serving or have served in the armed forces or merchant marine (in times of war) and their families.
- To raise public awareness of issues affecting the lives of veterans.
- To provide post conflict information, advice and support, to promote and improve the physical and mental health of those living in the UK suffering from post-combat and/or conflict trauma and stress.
- To promote and encourage participation in healthy sport and recreation, leisure and social activities for former serving personnel and merchant marine (in time of war), suffering from combat trauma and stress.
- To promote the mental and emotional welfare of persons/families resident in Scotland suffering from bereavement or loss of a son or daughter killed or wounded in military service.
- To assist serving, former serving personnel and merchant marine (in time of war) to make the transition to civilian life and provide them with the necessary support and resources to access employment, training or volunteering opportunities.

**LOTHIAN VETERANS' CENTRE LIMITED
YEAR ENDED 31 MARCH 2017
TRUSTEES REPORT**

Achievements and Performance

The year to March 31 2017 saw a significant increase in numbers of new clients engaging with Lothian Veterans Centre. Evidence suggests that this was due to a number of factors including:

- Recruitment of staff member with specific skill set and experience to provide housing and benefit advice
- The provision of events such as monthly football, walking group and Friday bacon-roll mornings that provide opportunities to engage that do not require the disclosure of a support need, thus making it easier for Veterans reluctant to disclose challenges requiring support to engage
- Increased collaboration with partner organisations such as Edinburgh Veterans Community Café, The Thistle Foundation, SACRO and ASAP
- Increasing involvement of clients, members and volunteers and a sense of the Centre being a safe and welcoming place for clients to spend time
- A small but significant increase in numbers of partners and family members

Throughout the year the operational priorities are:

- To provide a drop-in centre five days per week from 09:00 to 17:00
- To provide a professional support service in the areas of greatest need, namely housing and benefits, employability and further education, health and wellbeing and social activities
- To professionalise all processes and activities
- To fully engage with and participate in all of Veterans Scotland's Pillar Groups, and the Scottish Parliament XPWG on Armed Forces and Veterans
- To collaborate closely with all partner organisations that enable us to provide an enhanced service to Veterans, particularly similar drop-in centres in Central Scotland
- To engage positively with the local community

Support is provided by an increasingly experienced team, with further specialist support provided by partners with the aim always to provide as responsive, personalised and professional support as possible.

Performance for the period included:

- 96 new clients engaged
- 32 former clients re-engaged (clients not previously seen for six months)
- 8 clients entered employment
- 39 Vocational qualifications were gained
- 104 Health and Wellbeing sessions* were delivered
- 157 Housing and Benefits sessions* were delivered
- 145 Employability sessions* were delivered
- 529 attendances at Social and Comradeship events

** A session is typically one hour of support to an individual, or in the case of a training course could be one person attending a full day training*

Other highlights of the year included:

- The second annual Armed Forces Day Football Tournament took place, attracting over 500 young and adult participants and over 2000 spectators from the local community (at time of writing the 2017 event has taken place with even greater numbers)
- Relationship with local employer provided grant for training programmes and employment for 2 Veterans

Hibernian FC selected Lothians Veterans Centre to display the Scottish Cup in Dalkeith in January 2017

**LOTHIAN VETERANS' CENTRE LIMITED
YEAR ENDED 31 MARCH 2017
TRUSTEES REPORT**

Ongoing challenges

Veterans and their families seeking the support of Lothian Veterans Centre increasingly reflect the challenges experienced by other sections of society, namely housing, debt and income problems. The ever changing benefits system means that more and more clients require significant and resource intensive support in order to effect positive outcomes.

The sheer number of Veterans and family members becoming new clients has placed an increasing workload on the team, with further recruitment being required to meet the demand.

The award of £66,000 for a 28-month period to December 2018 from the European Social Fund has proved to be extremely problematic in terms of its administration, with frequent and significant changes being made by the fund administrators

Among the numbers of new clients, a large proportion come from beyond Midlothian, with consequent funding challenges given that the majority is ring-fenced for Veterans with Midlothian Post Codes. An award of £33,000 from the Scottish Veterans Fund will go some way to alleviating this.

The overall funding situation remains a concern with uncertainty surrounding our recent major funding sources at a time when demand for services at the end of 2017 is between three and four times greater than that at April 2016.

The current board wish to acknowledge the work of the founders of the original charity in 2009 without whose work the service and support provided by Lothians veterans Centre would not be possible.

Financial Review

The charity made a surplus of £ 10,621 this year and now hold an unrestricted balance of funds of £ 43,199.

Principal Funding Sources

The main funding this year has come from grants received with Midlothian Council being the main funder. During the year a grant of £ 12,000 was received from the ABF Soldiers Charitable Trust.

Reserves Policy

The main policy is to hold sufficient funds for three months activity, in the event of withdrawal of key funding. This will give the charity time to evaluate its course of action and also provide for staff redundancies.

**LOTHIAN VETERANS' CENTRE LIMITED
YEAR ENDED 31 MARCH 2017
TRUSTEES REPORT**

Responsibilities of Trustees

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming and outgoing of resources for the year then ended. In preparing those financial statements, the trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with Companies Act 1985. The Directors are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Management Committee

Members of the Management Committee, who are trustees for the purposes of charitable law, who served during the year, and up to the date of this report are set out on page 1,

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Management Committee on and signed on their behalf on

by *Bruce Smith*

**LOTHIAN VETERANS' CENTRE LIMITED
YEAR TO 31 MARCH 2017**

Independent Examiner's Report to the Trustees of Lothian Veterans' Centre Limited

I report on the accounts of the charity for the year ended 31 March 2017 which are set out on pages 7 to 13.

Respective responsibilities of trustees and examiner

The charity trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

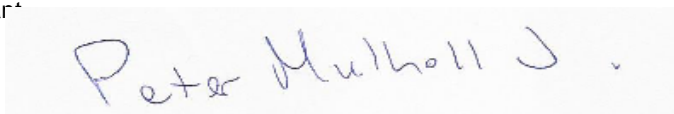
My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - > to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - > to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Peter Mulholland
Chartered Accountant
Millbank
Eddleston
EH45 8QP



14/12/2017

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Date

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LOTHIAN VETERANS' CENTRE LIMITED
Statement of Financial Activities (Including Income and Expenditure Account) for the
year ended 31 March 2017

Incoming Resources	Notes	2017 £	2017 £	2017 £	2016 £
Incoming resources from generated funds		Unrestricted	Restricted	Total	Total
Voluntary Income					
. Donations and fund raising	2	12,316	-	12,316	7,887
Activities for generating funds:					
Sale of Merchandise			-	-	-
Incoming resources from charitable activities					
Grants Received	3	-	83,833	83,833	86,168
Total Incoming Resources		<u>12,316</u>	<u>83,833</u>	<u>96,149</u>	<u>94,055</u>
Resources Expended					
Costs of generating funds					
- Costs of Generating Voluntary Income		-		-	729
Charitable Activities	4	895	83,833	84,728	82,086
Governance Costs	4	800		800	800
Total Resources Expended		<u>1,695</u>	<u>83,833</u>	<u>85,528</u>	<u>83,615</u>
Net Movement in Funds		10,621	-	10,621	10,440
Transfers				-	-
Balance at 1 April 2016		32,578	-	32,578	22,138
Balance at 31 March 2017		<u>43,199</u>	<u>-</u>	<u>43,199</u>	<u>32,578</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 9 to 14 form part of these financial statements

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**LOTHIAN VETERANS' CENTRE LIMITED
BALANCE SHEET AT 31 MARCH 2017**

	Notes	£	2017 £	£	2016 £
CURRENT ASSETS					
Debtors	7	6,896		-	
Cash at bank and in hand		37,201		38,914	
		<u>44,097</u>		<u>38,914</u>	
CREDITORS: Amounts falling due within one year	8	<u>898</u>		<u>6,336</u>	
NET CURRENT ASSETS			<u>43,199</u>		<u>32,578</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>43,199</u>		<u>32,578</u>
FUNDS					
Unrestricted	9		43,199		32,578
Restricted	9,10		-		-
			<u>43,199</u>		<u>32,578</u>

For the year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director' responsibilities:

- . The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- . The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Small Entities (effective April 2008)

These accounts were approved by the directors on and are signed on their behalf by:-

Director

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The notes on pages 9 to 13 form part of these financial statements

LOTHIAN VETERANS' CENTRE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance the Companies Act 1985, and the Statement of Recommended Practice applicable to charities preparing accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

(b) Fund Accounting

- > Unrestricted funds are available for use at the discretion of the trustees in furtherance the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the reinstatement of fixed assets at market value.
- > Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal

(c) Incoming Resources

All incoming resources are included in the statement of financial activities when The charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

- > Voluntary Income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant
- > Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts
- > Investment income is included when receivable
- > Incoming resources from charitable trading activity are accounted for when earned

LOTHIAN VETERANS' CENTRE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes Any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates

- > Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes
- > Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for the beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- > Governance Costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity

(e) Fixed Assets

Fixed Assets are written off in the year of purchase.

The estimated value of Fixed Assets at 31 March 2016 is £ 5,000

2 Donations and Fundraising

	2017 £	2017 £	2017 £	2016 £
	Unrestricted	Restricted	Total	Total
Donations	11,048	-	11,048	6,267
Fundraising and events	1,268	-	1,268	1,620
	<u>12,316</u>	<u>-</u>	<u>12,316</u>	<u>7,887</u>

LOTHIAN VETERANS' CENTRE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3 Incoming resources from Activities to further the Charity's Objects

	2017 £	2017 £	2017 £	2016 £
	Unrestricted	Restricted	Total	Total
ABF Soldiers Charitable Trust			-	12,000
Veterans Scotland			-	-
Midlothian Council		55,937	55,937	35,094
Earl Haig		5,000	5,000	9,500
European Social Fund		6,896	6,896	28,074
Scottish Communities		1,000	1,000	1,500
The Soldiers Charity		15,000	15,000	-
			-	-
	-	83,833	83,833	86,168

4 Total Resources Expended

	Basis of allocation £	2017 Total £	2016 Total £
Costs directly allocated to activities			
Staff Salaries	direct	49,149	45,563
Transport and Travel	direct	1,569	582
Professional Fees	direct	1,120	1,400
Charitable Activities	direct	4,795	8,735
Support Costs allocated to activities			
Premises	floor area	16,035	15,076
General Office and finance staff	staff time	6,000	-
Advertising/Marketing	direct	946	90
Insurance	direct	573	2,059
Communications	usage	3,704	2,375
General Costs	usage	1,637	1,006
		85,528	82,886

LOTHIAN VETERANS' CENTRE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5	Staff Salaries and Numbers	2017	2016
		£	£
	Staff Costs were as follows:		
	Salaries and wages	44,229	41,648
	Pension	3,012	-
	Paye & NI	7,908	9,915
	Total	<u>55,149</u>	<u>51,563</u>

No employee received emoluments of more than £ 60,000

The average number of employees during the year, calculated on the basis of full time equivalents was as follows:-

	2017	2016
Manager	1	1
Project Workers	2	1
	<u>3</u>	<u>2</u>

The charity does not operate any pension scheme

No trustee received any emoluments during the year.

6 Taxation

As a charity , the company The Lothian Veterans Centre, is exempt from tax falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

7	Debtors	2017	2016
		£	£
	European Social Fund Grant	6,896	-

8	Creditors	2016	2015
		£	£
	PAYE/ Pension	78	4,736
	Accruals	820	800
		<u>898</u>	<u>5,536</u>

9 Analysis of Net Assets Between Funds

	General Funds	Restricted Funds	Total Funds
	£	£	£
Current Assets	44,097	-	44,097
Current (Liabilities)	(898)	-	(898)
	<u>43,199</u>	<u>-</u>	<u>43,199</u>

LOTHIAN VETERANS' CENTRE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

10 Movement in Restricted Funds

	At 1 April 2016	Grants Received	Used	At 31 March 2017
Midlothian Council	-	55,937	55,937	-
European Social Fund		6,896	6,896	
The Soldiers Charity	-	15,000	15,000	-
Earl Haig		5,000	5,000	
Scottish Communities		1,000	1,000	
	<u>-</u>	<u>83,833</u>	<u>83,833</u>	<u>-</u>

11 Company Limited by Guarantee

The charity is limited by guarantee and has no share capital.

12 Capital Commitments

There are no Capital Commitments (2016 - £ nil).

13 Contingent Liabilities

There are no Contingent Liabilities (2016 - £ nil).

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**LOTHIAN VETERANS' CENTRE LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

INCOME	Total 2017 £	Total 2016 £
Grants Received	83,833	86,168
Fund raising and events	1,268	1,620
Merchandise Sales	-	-
Donations	11,048	6,267
TOTAL INCOME	<u>96,149</u>	<u>94,055</u>
EXPENDITURE		
Salaries and Pension	55,149	51,563
Rent and Rates	13,975	14,291
Heat and Light	1,405	-
Insurance	573	2,059
Telephone	1,144	1,062
Stationery and Postage	2,560	1,313
Repairs and Renewals	655	785
Advertising/Marketing	946	90
Outdoor Activities	2,226	1,085
Counselling	-	3,462
Staff Travel	1,569	582
Participants Training	2,269	3,131
Participants Travel	-	1,057
Volunteers expenses	138	
Subscriptions and Publications	973	535
Sundry Expenses	526	471
Hospitality	300	-
Events & Fundraising costs	-	729
Professional and Accountants Fees	1,120	1,400
TOTAL EXPENDITURE	<u>85,528</u>	<u>83,615</u>
SURPLUS/(DEFICIT) FOR YEAR	<u>10,621</u>	<u>10,440</u>