

CHANGES East Lothian  
Directors' Report  
and  
Accounts

31<sup>st</sup> March 2019

Company No SC230098  
Charity No SC025130



# CHANGES East Lothian

Company Information for the year ended 31<sup>st</sup> March 2019

Company No SC230098  
Charity No SC025130

Registered office 108/9 Market Street  
Musselburgh  
East Lothian  
EH21 6QA

## Directors

C J Murray resigned on 3 July 2018  
S S Watt  
Dr P McPhail  
N. Cullen resigned on 22 May 2018  
D. Rowe  
H. Barker  
G. MacLean resigned on 6 November 2018  
M. Johnston resigned on 6 November 2018

Independent Examiner  
AW Scotland CA  
10 Craighall Crescent  
Edinburgh  
EH6 4RY

Bankers  
Bank of Scotland  
94 High Street  
Musselburgh  
East Lothian

## **CHANGES EAST LoTHIAN**

### **REPORT OF THE DIRECTORS**

The directors present their annual report with accounts of the Company for the year ended 31<sup>st</sup> March 2019. The Company was incorporated on 9<sup>th</sup> April 2002 and is limited by guarantee, not having a share capital. The Company is registered as a Scottish Charity, Charity Number SCO25130.

### **PRINCIPAL ACTIVITY**

The principal activity of the Company during the year was to develop services and initiatives that promote the emotional well-being of people from all sections of the East Lothian Community.

### **DIRECTORS**

The members elect a Board of Directors who are responsible for the charity's overall direction. The directors are part-time and receive no remuneration for their work of directors during the period as shown on page 1. No director had any contract with the Company. The day to day running of the charity is delegated to staff led by Co-ordinator Elaine Johnston up to June 2019.

### **ACCOUNTS**

The accounts cover the year ended 31<sup>st</sup> March 2019. The comparative figures cover the year ended 31<sup>st</sup> March 2018. The results are as set out in the accounts.

The East Lothian Integration Joint Board (IJB) of the East Lothian Health and Social Care Partnership agreed to continue investment in CHANGES for 2018/19. Plus grants from others for unrestricted funds. The designated fund had a balance of £25915 at 31<sup>st</sup> March 2019 to cover future equipment and building refurbishment. It is the policy of directors to have general unrestricted reserves of 3 months expenditure to cover contingencies and any short term deficits, plus the balance of any long term employment and property liabilities. The general unrestricted reserves of £83830 at 31<sup>st</sup> March 2019 achieved this aim.

### **DIRECTORS REPORT**

In the year ending 31 March 2019 CHANGES has continued to provide a range of services that aim to support the people of East Lothian to find ways towards healthier and less stressful living.

The focus of CHANGES work is on achieving and sustaining positive mental health and wellbeing through interventions based on recovery, person centred and community development approaches.

CHANGES has developed a range of tried and tested self-help groups and courses, counselling and cognitive behavioural therapy services, established well supported volunteer opportunities within the project where volunteers co-facilitate groups and courses and support the activities of the Healthy Living Project.

The purpose is to provide a community based, non-medical service model that compliments its statutory counterparts.

As part of East Lothian's Choose Life strategy CHANGES provides training in Applied Suicide Intervention Skills Training (ASIST), Mental Health First Aid (MHFA) and safeTALK which gives people confidence to support others who are struggling with their mental health or thoughts of suicide.

We are pleased to be partners with Penumbra and East Lothian Council, to deliver First Response appointments for people in emotional crisis. Our work this year was funded by secure grants and we have moved into the year 2019/20 with funding in place to carry out all of our proposed core work. We would like to thank all of our funders including East Lothian Health and Social Care Partnership for supporting our core work, Paths For All for providing funding to facilitate the transition of the Wellbeing Walks to Ageing Well East Lothian Council. East Lothian Health and Social Care Partnership for funding First Response in partnership with Penumbra. CHANGES benefitted from a total of £4320 from donations throughout the year.

As ever we have been fortunate to have our hugely appreciated pool of trained volunteers with both the Volunteer and Healthy Living Project contributing to the work of CHANGES through the co-facilitation of our group work programme and support of the Healthy Living Project activities.

Finally, we would like to extend our gratitude to all staff, volunteers, sessional workers, Board of Trustee members and to all interested parties who have contributed and supported the work of the organisation.

### **DIRECTORS RESPONSIBILITIES**

The Companies Act 2006 requires the directors to prepare financial statements for each financial year and to give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for the year. In preparing these financial statements, the directors are required to:

Select suitable accounting policies and apply them consistently;  
Make judgements and estimates that are reasonable and prudent;  
State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;  
Prepare financial statements on the going concern basis unless it is appropriate to presume that the collective 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006. They are responsible for safeguarding the assets of the company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

### **STATEMENT ON RISK**

The directors continue to assess the major risks to which the charity is exposed and will continue to establish procedures to mitigate those that are identified as a result. In particular the charity is aware of its reliance on grants and is attempting to enter into long term agreements.

### **INDEPENDENT EXAMINER**

During the year the directors reappointed Mr AW Scotland CA as Independent Examiner to the Company.

BY ORDER OF THE BOARD



Director Sheena Watt

24 September, 2019

## Independent Examiners Report to the Directors of CHANGES East Lothian.

I report on the accounts of the charity for the year ended 31<sup>st</sup> March 2019 set out on pages 5 to 10.

### Respective Responsibilities of the Directors and Examiner

The Charity's directors are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Directors consider that the audit requirement of Section 477 of the Companies Act and Regulation 10(1) (a) to (c) of the Accounts Regulations do not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005.

### Basis of Independent Examiners Statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes review of the accounting records kept by the charity and comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seek explanations from the directors 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 accounts.

### Independent Examiner's Statement

In my opinion the accounts have been properly prepared in accordance with the provisions of the Companies Act 2006.

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 Charities and Trustees (Scotland) Investment Act 2005 and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have 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.



AW Scotland CA  
10 Craighall Crescent  
Edinburgh  
EH6 4RY

24 September, 2019

## CHANGES EAST LoTHIAN

### Income and Expenditure Account and Statement of Financial Activities for the year ended 31<sup>st</sup> March 2019

			2019		2018	
Incoming Resources	Unrestricted Funds	Designated Funds	Total Unrestricted Funds	Restricted Funds	Total	Total
<b>From Generated Funds</b>						
Grants:- East Lothian Health & Social Partnership	46263	--	46263	--	46263	41263
East Lothian Health & Social Partnership	148316	--	148316	--	148316	148316
East Lothian Health & Social Partnership	11137	--	11137	--	11137	--
Paths For All	7360	--	7360	--	7360	--
NHS Mental Health Fund	2000	--	2000	--	2000	8000
Employment Grant	3000	--	3000	--	3000	3000
Other Grants	--	--	--	--	--	21405
	218076	--	218076	--	218076	221984
Donations	4320	--	4320	--	4320	5476
Earned Income	13615	--	13615	--	13615	7530
	236011	--	236011	--	236011	234990
<b>Other Income</b>						
Bank Interest	20	--	20	--	20	20
<b>Total Incoming Resources</b>	<b>236031</b>		<b>236031</b>		<b>236031</b>	<b>235010</b>
<b>Outgoing Resources</b>						
Core charitable objectives – (note 2)	232799	--	232799	2179	234978	230390
Governance expenses (note 2)	750	--	750	--	750	750
<b>Total resources expended</b>	<b>233549</b>		<b>233549</b>	<b>2179</b>	<b>235728</b>	<b>231140</b>
<b>Net Incoming (Outgoing) Resources for year before and after transfers</b>	<b>2482</b>		<b>2482</b>	<b>(2179)</b>	<b>303</b>	<b>3870</b>
<b>Net movement in funds</b>						
<b>Balances brought forward</b>	<b>81352</b>	<b>25915</b>	<b>107267</b>	<b>8531</b>	<b>115798</b>	
<b>Balances carried forward being funds as at 31<sup>st</sup> March 2019</b>	<b>83834</b>	<b>25915</b>	<b>109749</b>	<b>6352</b>	<b>116101</b>	

For details of restricted funds see the notes on pages 9 and 10.

**CHANGES EAST LOTHIAN**  
**Balance Sheet as at 31<sup>st</sup> March 2019**

	2019	2018
Current Assets	£	£
Debtors, Grants receivable(Note 5)	7392	37079
Cash at bank and in hand	<u>109961</u>	<u>82034</u>
	<u>117353</u>	<u>119113</u>
Creditors – Amounts falling due within one year		
Accruals	1252	1315
Grants receivable in advance (deferred income)	<u>--</u>	<u>2000</u>
	<u>1252</u>	<u>3315</u>
<b>Net Current Assets – Total Assets less Current Liabilities</b>	<u><b>116101</b></u>	<u><b>115798</b></u>
Represented by Funds		
Unrestricted (Note 4)	109749	107267
Restricted (Notes 4 & 8)	<u>6352</u>	<u>8531</u>
	<u><b>116101</b></u>	<u><b>115798</b></u>

For the year ended 31<sup>st</sup> March 2019 the Company was entitled to exemption from audit under section 477 of the Companies Act relating to small companies.

Directors' Responsibilities:-


The Members have not requested the Company to obtain an audit for its accounts for the year in accordance with section 476.

The Directors acknowledge their responsibility 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 requirements of the 2006 Companies Act and with the Financial Reporting Standard for Smaller Entities (effective 2015).

These accounts are approved by the Board on 24 September 2019 and signed on its behalf by

The notes on pages 8 to 10 form part of these accounts.

  
 \_\_\_\_\_  
 Director S Watt

**CHANGES EAST LOTHIAN**  
**Notes to the Accounts for the year ended 31<sup>st</sup> March 2019**

1. Accounting Policies

**Basis of preparation**

The accounts have been prepared in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice for charities preparing their accounts in accordance with the Financial Reporting Standard 102 for Smaller Entities, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulation 2006.

**Income and deferred income**

Grant income, other income and bank interest are generally accounted for when received. Grants received in arrears are accrued and grants received before 31<sup>st</sup> March 2019 which would be repayable at that date are deferred to the period to which they refer.

**Expenditure**

Expenditure is accounted for on an accruals basis. As the Company is not registered for VAT, Input VAT is irrecoverable and is included in the category of expenditure to which it refers.

**Funds**

Funds are defined as follows:-

Unrestricted funds comprise grants and other income received for the objects of the charity without further specified purpose and are available as general funds.

Designated funds represent unrestricted funds that have been earmarked by the directors for particular purposes.

Restricted funds comprise grants received for spending on specified purposes as laid down by the donors.

**Pensions**

The charity pays contributions to two defined contribution stakeholder pension schemes on behalf of 7 employees. Contributions payable for the year are charged. No contributions were outstanding at 31<sup>st</sup> March 2019.



## CHANGES EAST LoTHIAN

2.

	Unrestricted Funds	Designated Funds	2019 Total Unrestricted Funds	Restricted Funds	Total	2018 Total
Expenditure in Furtherance of charitable activities						
<b>Staff Costs</b>						
Staff salaries and social security contributions	178809	--	178809	2179	180988	170117
Payroll processing and pensions advice	941	--	941	--	941	657
Staff travel expenses	225	--	225	--	225	301
Staff training	835	--	835	--	835	239
External supervision	1920	--	1920	--	1920	1035
	<b>182730</b>	<b>--</b>	<b>182730</b>	<b>2179</b>	<b>184909</b>	<b>172349</b>
<b>Property Costs</b>						
Rent & rates	16816	--	16816	--	16816	16684
Heat & light	1555	--	1555	--	1555	1268
Repairs & maintenance	96	--	96	--	96	1576
Cleaning costs	535	--	535	--	535	527
	<b>19002</b>	<b>--</b>	<b>19002</b>	<b>--</b>	<b>19002</b>	<b>20055</b>
<b>Service Provision Costs</b>						
Sessional Workers & Vol Expenses	7768	--	7768	--	7768	12019
Event and Venue Costs	5620	--	5620	--	5620	8873
	<b>13388</b>	<b>--</b>	<b>13388</b>	<b>--</b>	<b>13388</b>	<b>20892</b>
<b>Administration Costs</b>						
Telephone	2223	--	2223	--	2223	2136
Postage, stationery etc.	3779	--	3779	--	3779	4454
Subscriptions	293	--	293	--	293	550
Insurance	2354	--	2354	--	2354	2255
Office equipment & Maintenance	8318	--	8318	--	8318	7153
Miscellaneous Expenses	712	--	712	--	712	546
Evaluation Expenses	--	--	--	--	--	--
	<b>17679</b>	<b>--</b>	<b>17679</b>	<b>--</b>	<b>17679</b>	<b>17094</b>
<b>Total</b>	<b>232799</b>	<b>--</b>	<b>232799</b>	<b>2179</b>	<b>234978</b>	<b>230390</b>
<b>Governance expenses</b>						
	--	--	--	--	--	--
Fees of independent examiner	750	--	750	--	750	750
	<b>750</b>	<b>--</b>	<b>750</b>	<b>--</b>	<b>750</b>	<b>750</b>

### 3. Employees and Salaries

There were an average of 12 employees during the year 2018/19 - (12 in 2017/18)

	2019	2018
Salaries	£166166	£153090
Social security costs	7570	9672
Pension contributions	<u>6952</u>	<u>7355</u>
	180688	170117
	=====	=====

No employee received over £60000 remuneration during the year.

### 4. Explanation of Funds

The various funds are held for the following purposes

#### Unrestricted

General Fund – to support the general activities of the fund.

Designated Contingency Fund – funds set aside by the Directors to cover contingencies, in particular upgrading of office premises and equipment.

#### Restricted Funds

A grant was received from The Big Lottery Awards for All Fund during the previous year to investigate the development of a Wellbeing Centre. Some of this was spent during the year and the balance is carried forward in a restricted fund.

### 5. Deferred Income

Deferred income comprises some grants received before 31<sup>st</sup> March 2019 but which would be repayable at that date as they relate to a specific period of time.

Balance as at 1 <sup>st</sup> April 2018	2000
Amount released to income from grants	<u>2000</u>
Balance at 31 <sup>st</sup> March 2019	<u>--</u>

### 6. Directors Remuneration and Expenses

The Directors received no remuneration in travel or other meeting expenses during the year. (2018, Nil) There were no other transactions with related parties during the year.

### 7. Liability of Members

The charity is limited by guarantee, with no share capital. The liability of each member is limited to £1.

### 8. Taxation

The company is recognised as a charity OSCR and HMRC. Accordingly, no Corporation Tax is payable