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Changes East Lothian  
Directors' Report  
and  
Accounts

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31<sup>st</sup> March 2021

Company No SC230098  
Charity No SC025130

**OSCR**

Scottish Charity Regulator

[www.oscr.org.uk](http://www.oscr.org.uk)

**Registered Charity**

**SC025130**

## Changes East Lothian

Company Information for the year ended 31<sup>st</sup> March 2021

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Company No SC230098  
Charity No SC025130

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

### Directors

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Dr P McPhail – Resigned 09 March 2021

D Rowe

H Barker – Resigned 20 January 2021

F Keightley

N McKechnie

L Hughes

P Sutherland Brown

S Carlile

C Knight

Independent Examiner

AW Scotland CA

10 Craighall Crescent

Edinburgh

EH6 4RY

Bankers

Bank of Scotland

94 High Street

Musselburgh

East Lothian

EH21 7EA

## **CHANGES EAST LOTHIAN**

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### **REPORT OF THE DIRECTORS**

The directors present their annual report with accounts of the Company for the year ended 31<sup>st</sup> March 2021. 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 SC025130.

### **PRINCIPAL ACTIVITY**

The principal activity of the Company during the year was to develop and deliver services and initiatives that promote the mental health and wellbeing of adults, over the age of 16, 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 as 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 Manager Caitlin Rodgers.

### **ACCOUNTS**

The accounts cover the year ended 31<sup>st</sup> March 2021. The comparative figures cover the year ended 31<sup>st</sup> March 2020. The results are as set out in the accounts.

For 2020/21 unrestricted funding was received from East Lothian Council as part of the Integrated Joint Board, which combines East Lothian Council, the NHS and the Health and Social Care Partnership. A service level agreement has been in place with East Lothian Health and Social Care Partnership in relation to this funding. The designated fund had a balance of £31400 on 31<sup>st</sup> March 2021 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 £115964 at 31<sup>st</sup> March 2021 achieved this aim. There was a balance of £6352 as a restricted National Lottery Community Fund brought forward which was spent on salaries during the year.

## DIRECTORS REPORT

The year ending 31<sup>st</sup> March 2021 was a year like no other with the challenges and disruptions of the Covid-19 global pandemic. Work was carried out to update Changes vision, mission and values and create a three-year strategic development plan. Changes vision is that everyone in East Lothian enjoys positive mental health and wellbeing. Changes exists to enable people to achieve and maintain this through support groups and courses, therapy from experienced therapists as well as therapists in training, healthy living activities, volunteering opportunities and provides training to the community, enabling them to support others.

We saw a drop in new participants requesting support during the initial lockdown period, though numbers increased later in the year. Over 800 people received support including existing participants who had received support in previous years and 300 new participants accessing services for the first time. Our short courses and groups were initially put on hold due to lockdown restrictions, though these were moved online quickly to allow service delivery to continue. Other key services include one to one Cognitive Behavioural Therapy and Counselling Services which were primarily delivered online, with limited face to face provision due to Covid-19 restrictions. Changes ran East Lothian First Response service, offering urgent support for people in crisis, in conjunction with Penumbra. This service ended in December 2020. As ever we have been fortunate to have our hugely appreciated pool of trained volunteers who co-facilitate our group work programme.

Volunteers contribute to the work of Changes Healthy Living Project through supporting and leading our Nordic Walks, Cycling groups, Ukulele group, Creative Changes and also carrying out one to one buddy walks. To adapt to changing needs due to lockdown restrictions, Changes set up a 1-1 volunteer telephone support provision, matching volunteers with participants who were particularly isolated or vulnerable for regular weekly telephone support.

Our work this year was funded by secure grants, and we have moved into the year 2021/2022 with funding in place to continue the delivery of our core work. We would like to thank East Lothian Council and the Health and Social Care Partnership for their continued funding and Penumbra for their collaboration in delivering East Lothian First Response service. We would also like to thank Aviva and Tesco Bags for Life Covid Emergency Fund for one off funding and Foundation Scotland, Corra and Volunteer Centre East Lothian, for the administration of, and support in accessing, various Scottish Government Covid-19 response funds.

Finally, we would like to extend our gratitude to all staff, volunteers, members of the Board of Trustees 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



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Dennis Rowe, Director  
21<sup>st</sup> September 2021

## 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 2021 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

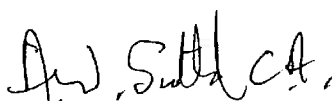
In my opinion the accounts have been properly prepared in accordance with the provisions of the Companies Act 2006.

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

21 September 2021

## CHANGES EAST LOTHIAN

### Income and Expenditure Account and Statement of Financial Activities for the year ended 31<sup>st</sup> March 2021

	2021	2021	2021		
	Unrestricted Funds	Designated Funds	Restricted Funds	Total	2020 Total
<b>Incoming Resources</b>					
<b>From Generated Funds</b>					
Grants:- East Lothian Council Covid Grant	10000	-	-	10000	-
Health & Social Care Partnership	189579	-	-	189579	189579
ELC First Response	9008	-	-	9008	14850
Paths For All	-	-	-	-	-
NHS Mental Health Found	-	-	-	-	-
Employment Grant	4000	-	-	4000	3000
Covid Grants (Note 8)	10426	-	-	10426	450
	<u>223013</u>	-	-	<u>223013</u>	<u>207879</u>
Donations	2131	-	-	2131	4543
Earned Income	1586	-	-	1586	9073
	<u>226730</u>	-	-	<u>226730</u>	<u>221495</u>
<b>Other Income</b>					
Bank Interest	15	-	-	15	20
<b>Total Incoming Resources</b>	<u>226745</u>	-	-	<u>226745</u>	<u>221515</u>
<b>Outgoing Resources</b>					
Core charitable objectives - (note 2)	204717	-	6352	211069	204528
Governance expenses (note 2)	750	-	-	750	750
<b>Total resources expended</b>	<u>205467</u>	-	<u>6352</u>	<u>211819</u>	<u>205278</u>
<b>Net Incoming (Outgoing) Resources for year before and after transfers</b>					
Net movement in funds	21278	-	(6352)	14926	16237
Balances brought forward	94586	31400	6352	132338	
Balances carried forward being funds as at 31 <sup>st</sup> March 2021	115864	31400	-	147264	

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 2021**

	2021	2020
	£	£
Current Assets		
Cash at bank and in hand	<u>163904</u>	<u>133275</u>
	163904	133275
Creditors – Amounts falling due within one year		
Accruals	-	937
Deferred Grant (Note 8) £3020	<u>16640</u>	-
<u>£13620</u>		
 Net Current Assets – Total Assets less Current Liabilities	 <u>147264</u>	 <u>132338</u>
 Represented by Funds		
Designated (Note 4)	31400	31400
Unrestricted (Note 4)	115864	94586
Restricted (Notes 4 & 8)	<u>-</u>	<u>6352</u>
	<u>147264</u>	<u>132338</u>

For the year ended 31<sup>st</sup> March 2021 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 the provisions of FRS102 as amended by the exemptions available to smaller companies.

These accounts are approved by the Board on 21 September 2021 and signed on its behalf by

The notes on pages 8 to 11 form part of these accounts.



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Dennis Rowe, Director



# CHANGES EAST LOTHIAN

## Notes to the Accounts for the year ended 31<sup>st</sup> March 2021

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### 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 2021 which would be repayable at that date are deferred to the period to which they refer.

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#### 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 some employees. Contributions payable for the year are charged. No contributions were outstanding at 31<sup>st</sup> March 2021.

## CHANGES EAST LOTHIAN

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	2021 Unrestricted Funds	2021 Restricted Funds	2021 Total	2020 Total
Expenditure in Furtherance of charitable activities				
<b>Staff Costs</b>				
Staff salaries and social security contributions	159834	6352	166186	150863
Payroll processing and pensions advice	745	-	745	783
Staff travel expenses	-	-	-	211
Staff training	654	-	654	398
Recruitment Costs	-	-	-	-
External Supervision	1678	-	1678	1260
H R Support	3992	-	3992	3380
	<u>166903</u>	<u>6352</u>	<u>173255</u>	<u>156895</u>
<b>Property Costs</b>				
Rent & rates	18372	-	18372	18018
Heat & light	1430	-	1430	1470
Repairs & maintenance	-	-	-	239
Cleaning costs	594	-	594	463
	<u>20396</u>	<u>-</u>	<u>20396</u>	<u>20190</u>
<b>Service Provision Costs</b>				
Sessional Workers & Vol Expenses	40	-	40	2500
Event and Venue Costs	182	-	182	9044
	<u>222</u>	<u>-</u>	<u>222</u>	<u>11544</u>
<b>Administration Costs</b>				
Telephone	3615	-	3615	2845
Postage, stationery etc.	1420	-	1420	3406
Subscriptions	315	-	315	339
Insurance	2243	-	2243	2312
Office equipment & Maintenance	8880	-	8880	6590
Miscellaneous Expenses	-	-	-	407
Bookkeeping Expenses	723	-	723	-
	<u>17679</u>	<u>-</u>	<u>17196</u>	<u>15899</u>
<b>Total</b>	<u><b>204717</b></u>	<u><b>6352</b></u>	<u><b>211069</b></u>	<u><b>204528</b></u>
<b>Governance expenses</b>				
	-	-	-	-
Fees of independent examiner	750	-	750	750

### 3. Employees and Salaries

There were an average of 13 employees during the year 2020/21- (14 in 219/20)

	2021	2020
Salaries	£ 149820	£138690
Social security costs	11204	6664
Pension contributions	<u>5162</u>	<u>5509</u>
	166186	150863
	=====	=====

Remuneration of key management personnel comprised of £32030 (2020: £28054)

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 prior years. The balance of this fund has been allowed by the Big Lottery to spent on salaries. Designated and Restricted Funds comprise bank and cash balances.

### 5. Directors Remuneration and Expenses

The Directors received no remuneration in travel or other meeting expenses during the year. (2020, Nil)  
There were no other transactions with related parties during the year.

### 6. Liability of Members

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

### 7. Taxation

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

## 8 Explanation of Balance Sheet Items

The Company meets the definition of a public liability benefit entity under FRS 102. Assets and Liabilities are initially recognized at historical cost or transaction value unless otherwise stated in this note.

The accounts are presented in pounds sterling as that is the currency in which the company's transactions are denominated.

### Debtors

Debtor balances are stated at their transaction price less any impairment. All debtors are receivable within one year and so are not amortised.

### Bank and cash

These are basic financial assets and include cash in hand and deposits, held within banks.

### Creditors

Creditor balances are recognized when the company has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors are recognized in the accounts at their settlement amount. As all creditors are due within one year their value is not amortised.

A grant received in 2020/21 from the Corra Foundation of £13620 was deferred at 31<sup>st</sup> March 2021 as it was intended for 2021/22, and was repayable if used early.

### Going Concern

The Directors have prepared the accounts on the historical cost and going concern bases as there is no material uncertainty over the company's ability to continue to operate.

## 9. Covid Grants

### Grants paid to help cover covid costs

Corra Foundation	£2000
Foundation Scotland	£4926
Volunteer East Lothian	£3000
Tesco	<u>£500</u>
	<u>£10426</u>