OPEN DOOR ACCOMMODATION PROJECT

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Charity No: SC008533
Company No: SC340356

WHITELAW WELLS
Chartered Accountants
9 Ainslie Place
Edinburgh EH3 6AT

OPEN DOOR ACCOMMODATION PROJECT

FOR THE YEAR ENDED 31 MARCH 2018

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OPEN DOOR ACCOMMODATION PROJECT

DIRECTORS' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The Directors, who are also trustees for the purposes of charity law, are pleased to present their report and accounts for the year ended 31 March 2018.

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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Purpose

The purposes of Open Door Accommodation Project as set out in its governing document are:

- To support service users to access information that empowers them to make informed decisions.
- To provide a flexible support service that helps to meet the social, emotional and practical needs of the service user group.
- Encourage and promote access to training/education or employment.
- Advocate on behalf of service users when appropriate with other agencies and family.
- Eviction avoidance; work in partnership with housing agencies and the Local Authority in reaching amicable solutions to neighbour disputes/gate keeping concerns/rent arrears etc.
- Where appropriate, to advocate and assist residents to claim welfare benefit entitlement.
- To promote and encourage empowerment by consulting and involving service users.
- To engage and motivate hard to reach young people.

Mission Statement

Open Door Accommodation Project operates as an enabling and empowering organisation. The approach to our work is innovative and multi-disciplinary.

We acknowledge the views of our stakeholders in our skilled and effective delivery of safe, secure accommodation and support to homeless young people between the ages of 16 and 26 years.

Aims

The Project exists to support young people who are homeless, or at risk of becoming homeless for a variety of reasons, e.g. family breakdown, social, practical, behavioural and emotional problems. Open Door aims to support young people in the short term, working towards longer-term independent living and improved life chances.

Open Door Accommodation Project aims to provide a flexible and innovative service to the population of youth homelessness; actively promote, encourage and highlight the needs of young homeless people and work in partnership with our funders towards addressing any needs identified; provide an environment that supports and encourages freedom of choice and promotes the learning process towards independent living.

Outcomes

Open Door Accommodation Project has eleven strategic outcomes:

1. Open Door will ensure it has a financially sustainable future.
2. Open Door will demonstrate best value as part of its ethos.
3. Open Door will raise public awareness of the organisation and the work it does.
4. Open Door will offer a range of diverse services and activities to support the young people of West Lothian.

Outcomes (cont)

5. Open Door will change the public perception of homelessness.
6. Open Door will effectively demonstrate the outcomes achieved by young people.
7. Open Door will raise a minimum of 10% of its income from non-statutory sources.
8. Open Door will operate with a highly trained professional and motivated workforce.
9. Open Door will demonstrate the success of the organisation.
10. Open Door will influence local and national policy on homelessness.
11. Open Door will consider expanding the range of services it offers both within West Lothian and beyond.

The strategic outcomes are what Open Door is strategically trying to achieve. Operationally we have ten outcomes designed to meet the needs of the young people we support:

1. Open Door will effectively demonstrate outcomes for the young people within the services.
2. To improve Health and Wellbeing for young people between the ages of 16 – 26.
3. Raising young people's educational achievement to acquire the knowledge, skills and competencies to achieve their full potential.
4. To improve confidence and self esteem in young people.
5. To encourage young people to empower them to get them involved in their local community.
6. Increased knowledge and understanding of independent living skills by the young people.
7. Our staff are engaged, motivated, high performing and are proud to work for Open Door.
8. To improve the life chances for the children of the young people using the service.
9. To reduce poverty for young people using the service.
10. To expand/reconfigure the services to meet the increased need.

These outcomes are being measured using the Better Future Outcome Framework.

Activities

The organisation provides a range of support to meet the needs of marginalised young people who are either homeless or threatened with homelessness. A full package of support is offered, which allows young people to maximise all learning opportunities and gives practical advice on hygiene, shopping, budgeting and cooking. In addition to very practical help and advice, the services work on supporting and encouraging the young person's social, emotional and intellectual development – improving interpersonal skills, confidence and self-esteem. The service is provided to two groups of young people:

Craigshill Accommodation Project:

The project is staffed 24 hours a day and provides accommodation for up to six month for homeless single people aged 16 – 26 years. Each young person is allocated a key worker, who provides help, support, advice and advocacy on a wide range of issues with a view to moving young people on to suitable accommodation. The aim is to equip each young person with the skills required to allow them to go on a live independently in the community.

Supported Flats:

Accommodation is provided in nine one and two bedroom flats for up to sixteen young people. The age group is 16 – 21 year olds and the accommodation is provided within the community in shared and single flats. This form of supported living is designed to facilitate the transition to independent living. The service provides practical and emotional support to young people to enable them to achieve independence. Support is provided by allocated key workers and cover is available from 9 am to 9 pm, seven days per week.

Students/Volunteers
The organisation facilitates social work student placements and volunteer placements throughout the year, bringing additional expertise and skills into the organisation. Part of this role is to create volunteering opportunities for the young people involved in Open Door Services, this is currently done in-house through our Peer Education Project and externally through agencies such as the National Trust and the Princes Trust.

ACHIEVEMENTS AND PERFORMANCE
Throughout the last financial year Open Door Accommodation Project has performed effectively and efficiently, ensuring the highest quality support was provided to young people throughout West Lothian.

Organisationally we have continued to develop our services and organisational business plan – with input from everyone in the organisation – young people, staff and board members.

We did some excellent partnership working with Inveralmond High School, and were delighted that two of their pupils designed a great new organisational logo for us, which is now being used on our paperwork, marketing and new website.

The new Business Plan was completed with a key focus being on diversifying funding streams. We were delighted to secure a significant sum of money from West Lothian Councils 'Ambition Fund' which forms part of our new 'Open Door Community Outreach Project which brings together housing support, employability and volunteer development.

2017/2018 has been a busy and productive year for Open Door. Craigshill Accommodation Project has continued to provide much needed accommodation and support for ten young people at any one time. Our Supported Flats service has continued to perform well however we have not always had the full number of flats as stated in our contract with West Lothian Council and we continue to negotiate with them on this.

69 young people were supported by Craigshill Accommodation Project during 2017/2018- split between 39 males and 30 females, and the majority being between 16 and 18 years of age- with 40 in this age group and the remaining 38 aged between 19 and 25- mostly to the lower end of the age scale.

Our supported Flats Service supported 51 young people during 2017/2018. 32 young people moved on from the service during this period – 16 secured their own tenancy, 7 moved in with family or friends and 3 to Craigshill Accommodation Project as it better suited their needs at the time. 6 people were also evicted from the project due to risk factors, each person was offered support to find alternative accommodation to meet their needs. The key challenges during this period have been supporting those with drug misuse and recreational use issues, with more than half 24 residents using illegal substances. 32 residents also had known mental health issues. A key focus going forward will be developing new services to further support with these challenges.

Residents from both services attended various outings over the summer such as our annual beach day and barbecue at beecraigs and a trip to Edinburgh Festival. They also attended the 'Street of Light' in Edinburgh and the 'Irn Bru Carnival' in Glasgow at Christmas.

FINANCIAL REVIEW

The Statement of Financial Activities shows net income for the year before other recognised gains and losses of £15,675 (2017: £49,238).

An actuarial gain on the defined benefit scheme of £118,000 resulted in net movement in funds, after actuarial adjustments, of £133,675 in surplus. A total of £393,919 was retained in accumulated funds at the year end (2017: £260,244).

Principal Funding Sources

The principal source of funding for the Project comes from West Lothian Council and West Lothian Community Health and Care Partnership operated by West Lothian Council and NHS Lothian.

Reserves Policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level of between three to six months running costs to provide sufficient funds to cover management administration and support costs. The level of free reserves at 31 March 2018 is £392,451 which is equivalent to nine months budgeted expenditure (31 March 2017: £391,244, nine months budgeted expenditure), this is more than the policy as the charity is looking to restructure its pension obligations, which will have a material impact on the charity's reserves. Additionally the charity is providing £28,000 of match funding for the 'Open Door Community Outreach Project' commencing financial year 2018/19.

Risk Management

The major risks to which the charity is exposed, as identified by the Directors, have been reviewed and systems have been established to mitigate these risks. A copy of the risk register is available within the Organisational Business Plan, however, in summary, three of our most concerning risks at present and our plans to mitigate against them are listed below:

Risk	Reason	Action to Mitigate Risk
Loss of Funding	The majority of the organisational funding comes from West Lothian Council, losing some or all of the funding would have significant implications for Open Door as we would be unable to continue service delivery within West Lothian.	• Reserves in place for statutory redundancy. • Develop a funding strategy to diversify funding streams and incorporate contingency planning • Secure three year plus funding contracts.
Craigshill Accommodation Building no longer being suitable for use	Implementation of the Unsuitable Accommodation Act by West Lothian Council would mean that the hostel is not fit for purpose in the future. The hostel building is ageing and will require future refurbishment or relocation to meet the needs of the service and the young people in the coming years.	• Craigshill Building is currently on the WLC Housing Action Plan. • A feasibility study on the accommodation unit has been recently conducted • Ongoing negotiations are required with WLC for either refurbishment of a new build hostel, alongside looking at other funding options.

Risk	Reason	Action to Mitigate Risk
Impact of the implementation of the new General Data Protection Regulations (GDPR)	New GDPR came into place in May 2018 with various additional requirements for organisations.	• All staff have been given training in the new regulations. • Review of exisiting policies and procedures to ensure they comply with the new regulations. • Full IT upgrade to reduce likelihood of 'cyber attacks'.

PLANS FOR FUTURE PERIOD

Securing long term financial sustainability is the key focus for the foreseeable future. Steps have been undertaken to look at alternative pension provision for some staff as the existing scheme is sadly no longer sustainable, and negotiating with the existing pension provider on how and when we leave the scheme is a priority. We also plan to look at a possible staffing restructure to ensure we have the right staffing team in place to meet the needs of the charity.

Securing funding to further develop our existing projects is also vitally important going forward and a future funding strategy has been developed and is currently being implemented.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Open Door Accommodation Project has operated as a recognised charity in Scotland since 1987. The organisation was incorporated on 1 April 2008 and is a charitable company limited by guarantee. 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 members are required to contribute an amount not exceeding £1.

Appointment of Directors

The Directors of the charity, under the company's Articles, are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. Appointments are determined by skills gaps on the Board.

Directors' Induction and Training

A robust induction for new Directors and training opportunities are available to all Directors throughout the year.

Organisational Structure

The management of the organisation is the responsibility of the Management Committee. They meet on a bi-monthly basis along with the Director of the organisation. All major decisions are made at these meetings.

Key Management Personnel

The Directors consider the Board of Directors and the senior management team to comprise the charity's key management personnel in charge of directing and controlling the charity on a day to day basis. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

LEGAL & ADMINISTRATIVE INFORMATION

Charity Name:	Open Door Accommodation Project	
Charity Registration Number:	SC008533	
Company Registration Number:	SC340356	
Directors:	Mr F Anderson	Chair
	Ms C Calder	Vice Chair
	Mr F Laird	Treasurer
		Appointed 1 April 2017
	Ms C Neill	
	Mr A Holloran	Appointed 1 April 2017
	Mr A Wallace	Appointed 1 April 2017
	Mr G Pugh	Appointed 1 April 2017
	Mr C Meek	Appointed 1 April 2017
	Mr P Graham	Appointed 26 April 2017
	Ms A Wardrop	Appointed 10 January 2018
Company Secretary:	Mr F Anderson	
Senior Management:	Ms C Neill	
Key Management Personnel:	Claire Neill	Director
	Aileen Wilmott	Operational Manager
	Audrey Heron	Service Manager
	Avril Mooney	Service Manager
Principal Office and Registered Office:	Almondbank Centre Shiel Walk Livingston EH54 5EH	
Senior Statutory Auditor:	Ingela Louise Presslie	
Independent Auditors:	Whitelaw Wells Chartered Accountants & Statutory Auditors 9 Ainslie Place Edinburgh EH3 6AT	
Bankers:	The Royal Bank of Scotland plc 4 Almondvale South Livingston West Lothian EH54 6NB	

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities & Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by and authorised for issue by the board of directors on 22 November 2018 and signed on their behalf by:-

Mr F Anderson
Director

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

FOR THE YEAR ENDED 31 MARCH 2018

We have audited the financial statements of Open Door Accommodation Project (the 'charitable company) for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' (who are also trustees of the charity for the purposes of charity law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information in the Directors' Annual Report, other than the financial statements and our auditor's report thereon. The directors 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report, prepared for the purposes of charity law and included within the Directors' Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report, included within the Directors' 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) requires 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 and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 Trustees' Annual Report, included within the Directors' Annual Report, and from the requirements to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page seven, the directors (who are also trustees of the charitable company for the purposes of charity 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 directors determine 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 directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ingela Presslie

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Ingela Louise Presslie
Senior Statutory Auditor
for and on behalf of Whitelaw Wells, Statutory Auditor
Whitelaw Wells is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
9 Ainslie Place
Edinburgh EH3 6AT

22 November 2018

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME & EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
Income and endowments from:					
Donations	2	3,193	-	3,193	5,431
Charitable activities					
Lodging receipts		71,608	-	71,608	79,996
Grants for support of hostel & housing income	3	454,027	-	454,027	454,016
Other grants	3	-	3,354	3,354	-
Resident receipts		4,313	-	4,313	4,839
Investments					
Bank interest receivable		111	-	111	350
Other	4	5,180	-	5,180	3,240
Total Income		538,432	3,354	541,786	547,872
Expenditure on:					
Charitable activities	5	(524,225)	(1,886)	(526,111)	(498,634)
Total Expenditure		(524,225)	(1,886)	(526,111)	(498,634)
Net income before other recognised gains and losses		14,207	1,468	15,675	49,238
Actuarial gains/(losses) on defined benefit pension scheme		118,000	-	118,000	(241,000)
Net movement in funds		132,207	1,468	133,675	(191,762)
Reconciliation of funds:					
Total funds brought forward		260,244	-	260,244	452,006
Total funds carried forward		392,451	1,468	393,919	260,244

The notes on pages 14 to 25 form an integral part of these financial statements

OPEN DOOR ACCOMMODATION PROJECT

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	9		-		-
Current assets					
Debtors	10	18,437		11,933	
Cash at bank and in hand		449,788		409,237	
		468,225		421,170	
Creditors: amounts falling due within one year	11	(70,306)		(29,926)	
Net current assets			397,919		391,244
Net assets excluding pension liability			397,919		391,244
Pension liability	17		(4,000)		(131,000)
Net assets including pension liability			393,919		260,244
Funds					
Unrestricted funds					
General funds	13		392,451		260,244
Restricted funds	13		1,468		-
			393,919		260,244

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved and authorised for issue by the Directors on 22 November 2018 and signed on their behalf by:-

Mr F Anderson
Director
Company No: SC340356

The notes on pages 14 to 25 form an integral part of these financial statements

OPEN DOOR ACCOMMODATION PROJECT

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash flows from operating activities:		
Net cash provided by operating activities	40,440	23,314
Cash flows from investing activities:		
Interest income	111	350
Net cash provided by investing activities	111	350
Change in cash and cash equivalents in the year	40,551	23,664
Cash and cash equivalents at the beginning of the year	409,237	385,573
Cash and cash equivalents at the end of the year	449,788	409,237

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	133,675	(191,762)
Adjustments for:		
Interest income	(111)	(350)
(Increase) in debtors	(6,504)	(3,458)
Increase in creditors	40,380	6,884
(Decrease)/increase in pension provision	(127,000)	212,000
Net cash provided by operating activities	40,440	23,314

Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	475	637
Instant access bank accounts	449,313	408,600
Total cash and cash equivalents	449,788	409,237

1. Accounting Policies

1.1 Basis of preparation and statement of compliance

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant Notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard 102 (effective January 2015), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The charity constitutes a public benefit entity under FRS102.

The Directors consider that there are no material uncertainties about the charity's ability to continue as a going concern. In the opinion of the Directors, the charity has sufficient reserves to continue as a going concern for at least twelve months from the approving and signing of the financial statements. The Directors are therefore satisfied that it is appropriate that the financial statements are prepared on the going concern basis.

1.2 Fund accounting

Funds are classified as either restricted or unrestricted funds, defined as follows:-

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Unrestricted funds are expendable at the discretion of the Directors in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the Directors for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Directors' discretion to apply the fund.

1.3 Income recognition

All income is 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 policies are applicable to particular categories of income:

Donations
Donations are included in full in the Statement of Financial Activities when they are receivable.

Lodging Receipts
Lodging receipts are included in the Statement of Financial Activities when receivable.

Grants
Grant income from service level agreements is accounted for as the charity earns the right to consideration by its performance.

Grant income where entitlement is not conditional on delivery of a specified level of service are recognised when the charity becomes unconditionally entitled to the grant.

1. Accounting Policies (cont)

1.3 Income recognition (cont)

Deferred Income

Deferred income represents amounts received in this period but relating to resources in the future periods and is released to incoming period for which it has been received.

1.4 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. These are allocated between charitable expenditure and Governance costs.

The charity is not registered for VAT and, accordingly, expenditure is shown gross of irrecoverable VAT.

Charitable expenditure is incurred in direct pursuance of the Charity's principal objects and as set out in the Directors' Annual Report.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the charity's programmes and activities. These costs include the expenses of Board meetings, the statutory audit and legal and professional fees. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 5.

1.5 Pensions

The charity operates a Defined Contributions Pension Scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the Scheme.

The charity also participates in a defined benefit scheme, operated by the Lothian Pension Fund and administered by the City of Edinburgh Council, for members commencing employment prior to 1 August 2006.

Qualifying staff are members of the Lothian Pension Fund, a multi-employer defined benefit scheme. This Scheme is now closed to new members. Deficits under the scheme are recognised in the accounts in accordance with the requirements of Financial Reporting Standard 102, based on the Charity's share of the scheme assets and liabilities, as reported by the scheme actuary. The scheme assets are valued at market value. In accordance with FRS 102 "retirement benefits" the Charity's share of a scheme deficit is recognised in full on the balance sheet and its share of a surplus is recognised to the extent that the surplus can be recovered.

1.6 Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1. Accounting Policies (cont)

1.7 Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer equipment -	25% straight line
Fixtures & fittings -	20% - 50% straight line
Hostel equipment -	20% straight line

Furniture and fittings relating to the hostel and outreach accommodation are expensed in the year incurred on the basis that the useful economic life is less than one year.

1.8 Leasing

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

1.10 Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Donations

	2018 £	2017 £
S Hendrie	1,250	-
Other donations < £1,000	1,943	5,431
	3,193	5,431

Income from donations was £3,193 (2017: £5,431) all of which was unrestricted in both the current and previous years.

3. **Grants**

	2018 £	2017 £
West Lothian Community Health and Care Partnership	274,806	274,821
West Lothian Council Supporting People	179,221	179,195
Fauldhouse Community Development Trust	1,745	-
Community Food and Health (Scotland)	1,609	-
	457,381	454,016

Income from grants was £457,381 (2017: £454,016) of which £454,027 (2017: £454,016) was unrestricted and £3,354 (2017: £nil) was restricted.

4. **Other**

	2018 £	2017 £
Student placement income	5,180	3,240
	5,180	3,240

Income from other was £5,180 (2017: £3,240) all of which was unrestricted in both the current and previous years.

5. **Expenditure**

	2018 £	2017 £
Providing support to homeless young people:-		
Staff costs (Note 7)	430,183	401,085
Premises costs	24,494	21,925
Running costs	55,438	59,971
Motor and travel costs	4,757	5,403
Legal & professional fees	428	2,790
Interest and finance charges	4,334	301
Governance costs	6,477	7,159
	526,111	498,634

Further analysis of the charitable activities is not provided as the directors believe the charity only has one main activity.

Expenditure was £526,111 (2017: £498,634) of which £524,225 (2017: 498,634) was unrestricted and £1,886 (2017: £nil) was restricted.

6. Net Income for the Year

	2018 £	2017 £
This is stated after charging:		
Auditor's remuneration – audit fees - previous auditor	60	6,133
Auditor's remuneration – audit fees - current auditor	4,440	-
Auditors' remuneration – non-audit fees - current auditor	600	-
Operating lease	8,313	8,313

7. Staff Numbers and Costs

The aggregate payroll costs were:

	2018 £	2017 £
Wages and salaries	353,005	347,187
Social Security costs	27,447	25,465
Pension costs – normal contributions	60,707	55,922
Pension costs – FRS102 adjustment	(13,000)	(29,000)
Other staff costs	2,024	1,511
	430,183	401,085

The average number of employees, on a head count basis, during the year was:-

	2018 No	2017 No
	18	18

The charity considers its key management personnel comprise the Director, Operational Manager, Service Manager and Flats Manager. The total employment benefits including employer pension contributions of the key management personnel was £177,510 (2017: £155,280). No employees had emoluments of more than £60,000 during the current or previous years.

8. Related Party Transactions and Directors' Emoluments

No one individual had control of the charity during the year. One director received remuneration of £45,314 (2017: one director of £19,554) during the year. This is permitted under the Articles of Association for their role as key management personnel. No directors were reimbursed expenses during the current or previous years.

9. Tangible Fixed Assets

	Computer Equipment £	Fixtures Fittings & Equipment £	Hostel Equipment £	Total £
Cost				
At 1 April 2017	47,949	16,572	4,109	68,630
Disposals	-	-	-	-
At 31 March 2018	47,949	16,572	4,109	68,630
Depreciation				
At 1 April 2017	47,949	16,572	4,109	68,630
On disposals	-	-	-	-
At 31 March 2018	47,949	16,572	4,109	68,630
Net Book Value				
At 31 March 2018	-	-	-	-
At 31 March 2017	-	-	-	-

10. Debtors

	2018 £	2017 £
Trade debtors	6,673	5,732
Other debtors	-	146
Prepayments and accrued income	11,764	6,055
	18,437	11,933

11. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	12,096	10,998
Other taxes and social security costs	-	7,707
Accruals	8,368	11,221
Deferred income (note (a) below)	49,842	-
	70,306	29,926

11. Creditors: amounts falling due within one year (cont)

(a) Deferred income

	2018	2017
	£	£
Amounts received and deferred during the year	49,842	-

12. Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fund balances at 31 March 2018 are represented by:			
Tangible fixed assets	-	-	-
Current assets	466,757	1,468	468,225
Current liabilities	(70,306)	-	(70,306)
Pension liability	(4,000)	-	(4,000)
	392,451	1,468	393,919

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fund balances at 31 March 2017 as represented by:			
Tangible fixed assets	-	-	-
Current assets	421,170	-	421,170
Current liabilities	(29,926)	-	(29,926)
Pension liability	(131,000)	-	(131,000)
	260,244	-	260,244

13. Movement in Funds

	1 April 2017 £	Income £	Expend-iture £	Transfers £	Gains/ (Losses) £	31 March 2018 £
Restricted funds:						
Starter Pack	-	1,745	(1,745)	-	-	-
Healthy Living on a Budget	-	1,609	(141)	-	-	1,468
Total restricted funds	-	3,354	(1,886)	-	-	1,468
Unrestricted funds:						
General Fund	391,244	538,432	(520,225)	(13,000)	-	396,451
Pension Reserve	(131,000)	-	(4,000)	13,000	118,000	(4,000)
Total unrestricted funds	260,244	538,432	(524,225)	-	118,000	392,451
Total funds	260,244	541,786	(526,111)	-	118,000	393,919

Purpose of restricted funds

Starter Pack – funding received from Fauldhouse Community Development Trust to provide 15 starter packs to young people leaving ODAP supported flats and hostel accommodation into their own tenancies.

Healthy Living on a Budget – funding received from Community Food and Health (Scotland) to run two six week courses incorporating various methods of healthy eating on a budget, including store cupboard eating and making balanced meals, for up to seven young people per course.

13. **Movement in Funds (cont)**

	1 April 2016	Income	Expend-iture	Transfers	Gains/ (Losses)	31 March 2017
	£	£	£	£	£	£
Unrestricted funds:						
General Fund	951	547,872	(527,634)	370,055	-	391,244
Designated funds						
Redundancy	61,599	-	-	(61,599)	-	-
Pension Reserve	81,000	-	-	(81,000)	-	-
Fundraising	38,361	-	-	(38,361)	-	-
Hostel – Open Door	121,594	-	-	(121,594)	-	-
Supported Flats – Outreach	108,339	-	-	(108,339)	-	-
Student Volunteer	(2,979)	-	-	2,979	-	-
Safety Door	12,000	-	-	(12,000)	-	-
Pension Contingency	21,141	-	-	(21,141)	-	-
Contingency Reserve	10,000	-	-	(10,000)	-	-
Pension Reserve	-	-	29,000	81,000	(241,000)	(131,000)
Total unrestricted funds	452,006	547,872	(498,634)	-	(241,000)	260,244
Total funds	452,006	547,872	(498,634)	-	(241,000)	260,244

14. **Financial Commitments**

At 31 March 2018 the charity had total commitments under non-cancellable operating leases, payable as follows:-

	Building 2018	Office Equipment 2018	Building 2017	Office Equipment 2017
	£	£	£	£
Expiring:				
Within one year	1,501	2,313	6,001	2,313
Between one and five years	-	6,940	1,500	9,254

15. **Company Limited by Guarantee**

The charitable company has no share capital as it is a company limited by guarantee.

16. **Taxation**

As a recognised charitable body, the charity is exempt from corporation tax on its charitable activity.

17. Pensions and Other Post-Retirement Benefit Commitments

Defined Contribution Pension Scheme

The charity participates in a defined contribution pension scheme run by NEST. The charity's contribution to this scheme is 1% of participants' salaries which is charged to the Statement of Financial Activities in the year to which the payment relates. This scheme is open to all qualifying employees.

Defined contribution	**2018**	**2017**
	£	**£**
Contributions payable by the company for the year	1,150	-

Defined Benefit Pension Scheme

The charity is a participating employer in the Lothian Pension Fund ("The Scheme") that provides benefits based on average pensionable pay (i.e. defined benefit scheme). The assets of the Scheme are held separately from those of the charity. Contributions are charged to the Income and Expenditure account so as to spread the cost of pensions over the employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

An actuarial valuation was carried out as at 31 March 2018 by a qualified independent actuary.

The major assumptions used by the actuary were:

	2018	**2017**
	% per annum	**% per annum**
Pension Increase Rate	2.4	2.4
Salary Increases Rate	4.1	4.4
Discount Rate	2.7	2.7

The employer's share of the assets in the scheme were:

	2017	**2016**
	£'000	**£'000**
Equities	-	-
Bonds	1,823	1,839
Property	-	-
Cash	76	-
Total market value of assets	1,899	1,839
Present value of scheme liabilities	(1,903)	(1,970)
Surplus/(Deficit) in the scheme	(4)	(131)

17. Pensions and Other Post-Retirement Benefit Commitments (cont)

The most recent valuation showed that the market value of the scheme's assets was £1,899,000 (2017: £1,839,000) and that the actuarial value of these assets represented 100% (2017: 93%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the charity are 50.4% from 1 April 2018 and employee contributions vary depending on individual employees' salary rates.

Analysis of the amount charged to the income and expenditure account:

	2018 £	2017 £
Current service cost	46,000	31,000
	46,000	31,000

Analysis of amount credited to investment income:

	2018 £	2017 £
Expected return on pension scheme assets	50,000	54,000
Interest on pension scheme liabilities	(54,000)	(51,000)
Net (cost) / return	(4,000)	3,000

Actuarial gain recognised in the Statement of Financial Activities:

	2018 £	2017 £
Experience and actuarial gains / (losses) arising on the scheme assets	(51,000)	253,000
Experience and actuarial gains / (losses) arising on the scheme liabilities	42,000	-
Changes in assumptions arising on scheme liabilities	127,000	(494,000)
Actuarial gain / (loss) recognised in the Statement of Financial Activities	118,000	(241,000)

Movement during the year:

	£	£
(Deficit) / surplus at beginning of year	(131,000)	81,000
Movement in year:		
Current service cost	(46,000)	(31,000)
Employer contributions	59,000	57,000
Net interest	(4,000)	3,000
Actuarial gain / (loss)	118,000	(241,000)
(Deficit) at end of year	(4,000)	(131,000)

18. **Post balance sheet event**

Following the year end the charity has successfully negotiated an exit strategy with the staff members whose pensions are held with the Lothian Pension Fund. The charity is now currently in the process of informing the Lothian Pension Fund of their intension to leave the scheme and as such any exit value has not yet been assessed and is not provided for in these accounts.