

Company No: SC212857
Charity No: SC006647

THE LILIAS GRAHAM TRUST
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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THE LILIAS GRAHAM TRUST
(A company limited by guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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THE LILIAS GRAHAM TRUST
(A company limited by guarantee)

Legal and Administrative Information

Charity Name:	The Lillas Graham Trust
Registered Office and Operational Address:	Braendam House Thornhill Stirling FK8 3QH
Charity Registration Number:	SC006647
Company Registration Number:	SC212857
Trustees:	J Tilman (Chairman) B MacMillan B Raine S Muir G Jones R Muir-Simpson E Wallace C Bain (Appointed 29.04.2019)
Secretary:	S Muir
Chief Executive Officer:	C Morrison
Independent Examiners:	Wylie & Bisset LLP Chartered Accountants 168 Bath Street Glasgow G2 4TP
Bankers:	Bank of Scotland Plc Teviot House 41 South Gyle Crescent Edinburgh EH12 0BR
Solicitors:	DWF Biggart Baillie Dalmore House 310 St Vincent Street Glasgow G2 5QR

THE LILIAS GRAHAM TRUST
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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report and financial statements of the charity for the period ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 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.

The legal and administrative information on page one forms part of this report.

Reference and Administrative details

The Liliash Graham Trust (the 'organisation') is a registered charity (registration number SC006647).

It is governed by its rules as set out in the Memorandum and Articles of Association incorporated on the 15th November 2000.

The Trustees of the charity are the Board of Trustees who are appointed by the members at the Annual General Meeting.

The names of the members of the Board of Trustees who served during the year are shown on page one.

Objectives and Activities

The legal objectives of the organisation, as laid out in the Memorandum and Articles of Association are:

- a. To support and sustain people who are in distress by reason of poverty, deprivation, or associated adverse circumstances.*
- b. To strengthen the ties of family life.*
- c. To help the most deprived families and groups to play a full part in the cultural, spiritual, and political life of the community.*
- d. To study the factors which help cause social and economic deprivation and exclusion.*
- e. To establish, operate, promote, maintain, manage and develop residential accommodation (and associated facilities) for individuals and families who are in distress or are otherwise in need of support.*
- f. To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio and video recordings, multimedia products and display materials.*

THE LILIAS GRAHAM TRUST
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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Objectives and Activities (continued)

In order to achieve the objectives and aims of the charity, the organisation develops and delivers high quality, flexible and responsive person centred support services to vulnerable people.

The organisation works in close partnership with Scotland wide Local Authority Social Work services to deliver on the assessment of parents' level of capacity. The service is innovative and is well supported by motivated and highly skilled consultants, support staff, Service Manager and support functions within the organisation.

The organisation will continue to review the objectives and activities to ensure that it is well placed to meet the needs of the clients.

"Support from the LGT was a protective factor for this child and his parents. Their residential placement enabled a robust assessment of attachment and the parent's responsiveness to their child"

Our Mission

The organisation's mission is to be a charity that strives to respond to:

- a. *The families/clients who need our support and service.*
- b. *The staff who deliver services and help assist families/clients change their lives for the better.*
- c. *Ensure a safe and supportive environment for families/clients.*
- d. *Enable parents/clients to understand what their children need to become happy, confident and successful in life.*
- e. *Enable parents/clients to learn and practice essential childcare and home making skills.*
- f. *Assist families/clients to live in their own communities happily and safely.*

The service is provided at a residential setting in Thornhill, a rural village just 10 miles from Stirling town centre. The organisation can accommodate a total of six families at any one time, each living, eating and sleeping in their own private self-contained accommodation. Following successful completion of their assessment the organisation provides a free of charge six month period of outreach service, where staff members visit and support the families in their own homes within their own community.

The organisation delivers a range of support and care services to meet all levels of need, including parents with mental health issues, learning disability and/or autism, drug and alcohol misuse.

Our mission is to provide high quality parenting capacity assessments that reflect and take account of all aspects of parents' comments about the difficulties they face when raising a family. The organisation recognises that people have complex lives and that they face challenges and the assessment techniques are appropriately responsive.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The organisation believes that people are unique and entitled to a fulfilling life and that staff strive to promote and achieve the following outcomes for the clients we support:

- a. *Active and meaningful participation within the assessment process*
- b. *Being seen as important and unique along with their child*
- c. *Individuality as a family*
- d. *Choice as a family*
- e. *Leading and directing their own family life*
- f. *Understanding the benefits of playing with their child*
- g. *Taking responsibility of their family*
- h. *Experiencing new experiences with their baby – and having fun doing it safely*

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 15 November 2000. The company was constituted under a Memorandum of Association which established its objects and powers and is regulated by its Articles of Association. In the event of the company being wound up, members would be required to contribute an amount not exceeding £1 each.

Recruitment and Appointment of Trustees

The Directors of the company are also charity Trustees for the purposes of charity law. Under the requirements of the Articles of Association one third of the Directors shall retire in each year. Any Director so retiring shall be eligible for re-election. New Directors are appointed, after due enquiry, following recommendation by one or more existing Directors.

The members of the Board are legally responsible for the governance and the overall management of the organisation.

Trustee Induction Process

Board members are elected by the Board at the Annual General Meeting, but can be co-opted by the Board members pending election, in the intervening period. Board members are inducted into the work of the organisation and their role as Trustees on appointment. There are currently seven elected members of the Board who bring an extensive range of skills, experience and knowledge to the governance and management of the organisation. The Board of Trustees are supported by the charity's officers to maintain and develop their skills and knowledge on an ongoing basis.

The Board of Trustees has adopted a unitary Board approach to governance which affords greater knowledge, skill and ownership. The Board meets on six occasions throughout the year. The Annual General Meeting is incorporated into one of these dates.

To ensure regular updating about the charity and the legislation that governs its services, the Chief Executive updates the Board on regulatory changes at the regular meetings of the Trustees.

THE LILIAS GRAHAM TRUST
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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Structure, Governance and Management (continued)

Trustee Induction Process (continued)

The Board meetings are attended by the Chief Executive, Accountant and Finance Manager.

A Trustees' Register of Interests is completed by the Trustees in order to mitigate against the possibility of any conflict of interests.

Trustees' Responsibilities

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

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 organisation and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgments 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 presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). They 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 Trustees 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.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Structure, Governance and Management (continued)

Organisational Structure

The organisation has a clear reporting structure where senior staff members have defined responsibilities. These staff report directly to the Chief Executive, Cath Morrison, who in turn reports to the Board of Trustees.

Day-to-day operational responsibility is delegated to the Senior Practitioner (Mental Health), Alice Smith. Board meetings are held approximately every two months and the Chief Executive circulates a written report to the Board approximately one week before the Board meeting.

Key Management Personnel (KMP)

The KMP are the Trustees of the organisation, the Chief Executive, and the Finance Manager.

Pay and Remuneration are discussed annually at the Board meetings. The Board has accepted that in today's financial climate all workers should receive a "decent" living wage.

The proposal is to introduce a fair and open pay and remuneration system using the National Joint Council pay grades.

Relationships

The organisation believes in working closely with Local Authorities and other partners to achieve the aims and objectives of the organisation. Cath Morrison, the Chief Executive, is a Board member of the Richmond Fellowship Scotland. She also contributes to any National Care Issues as they arise. The CEO maintains effective links with responsible officers of Local Authorities. The organisation co-produces with the Local Authority an effective plan around the family who come for placement.

Achievements and Performance

The coronavirus disease 2019 (COVID-19) has highlighted the fragility of our whole society. We have had to learn quickly the meaning and implementation of Furloughing staff, Shielding staff and asking staff to be Front line workers; all of which we achieved. The demands of the Social Work departments rose within the COVID-19 which saw our demand rise for a short time, the reason for this being that if a baby was removed from the mother at birth – the mother could not physically see or touch the baby this could only be done through technology of FaceTime or Microsoft teams. If they could be sent to us and we could take the family then this would prevent lifelong attachment issues with babies and their mothers/fathers.

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Achievements and Performance (continued)

We had to adjust to a new way of working that could not be remote and still had to be relationally based, this was achieved through safe distancing, and for some face masks to be worn if clients could not safe distance. Clients were scared of the virus and had little or no family to support them through it all. At the time there was no testing for staff unless symptoms were showing this proved difficult for some staff who opted to not carry out the work due to fear. We managed to encourage a place of work that encouraged you to report illness or to self isolate with no fear of jeopardizing their job. To date only 1 staff member self isolated. 1 staff shielded due to underlying health issues. Throughout all of this we still managed to take in some of the most vulnerable clients.

Again, throughout this entire ordeal one person came forward to volunteer and has since completed her volunteer training.

This year six families were referred to the Liliash Graham Trust three from new different local authorities. Of these, one was a referral from Orkney, Perth & Kinross and Scottish Borders, all new local authorities to use the service.

We were very fortunate to win the one year award from the Robertson Trust to pay for a Senior Practitioner (Mental Health) post for the Outreach programme. This will offer counselling, advice and general parenting advice to parents who have completed the 12 weeks here at the residential setting.

In the face of this austerity the charity has managed to deliver a service that at its core is the parent/child relationship

Key Objectives

The Liliash Graham Trust is a charity which aims to improve the happiness and lives of children within their own families. The Trust works closely with parents, carers, children, social work and other agencies to identify and help meet each child and family's specific needs.

- The objectives of the service are to:
- Provide residential and day services to help meet children's needs within their own family.
- Provide a service to help strengthen child/parent relationships.
- Help families overcome the effects of difficult social, emotional, physical or financial circumstances and so improve the life chances of children and their parents or carers.
- Assess the needs of children and the ability of parents and carers to meet those needs.
- Help parents and carers to develop knowledge, skills, attitudes and approaches which will best meet their children's emotional, physical, cognitive and wider developmental needs.
- Support parents and carers to develop specific skills, knowledge and attitudes in order to better meet their own emotional, relationships, social, health, financial, housing and other needs.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Key Objectives (continued)

- Assist families to develop personal, social and practical skills which will enable them to live independently in the wider community.
- Provide outreach support to a family where this is required to ensure sustainable progress.

The main objective of the organisation is to continue to develop the best parenting capacity assessments that help people to achieve the goals that matter to them. Financially, the objective is to remain financially viable in the face of being a "spot purchase" facility.

The organisation will continue to work closely with the Local Authority partners to find the best outcomes for the families/clients the organisation supports and to ensure that the high standards of support are maintained.

The organisation is looking to grow the delivery of services to vulnerable people and to maintain the high quality of services that are currently provided while maintaining financial viability through pricing that reflects the cost of the services being provided. The environment within which the organisation will be operating will be very challenging and will require a re-evaluation of current models of delivery with a view to innovation and change.

Financial Review

Results

The charity generated income of £262,085 (2019: £254,893) and incurred expenditure of £277,509 (2019: £346,588), resulting in a deficit for the year of £15,424 (2019: deficit of £91,695).

At year end, the charity held unrestricted funds of £323,212 (2019: £338,636), of which £296,008 (£311,226) was tied up in fixed assets leaving free reserves of £27,204 (2019: £27,410).

Reserves Policy

The Board of Trustees regularly reviews the level of unrestricted reserves in the general fund by considering the risks associated with its main income stream, the associated expenditure, capital commitments and the ongoing and changing financial environment.

The organisation maintains a policy which aims to hold a sufficient balance of unrestricted reserves to cover at least two months' working capital. This is regarded by the trustees to represent two months' unrestricted expenditure, which amounts to approximately £44,506 (2019: £55,593). The trustees are aware that the reserves available at year end were insufficient to meet this target, and continue to seek to improve the reserves position.

THE LILIAS GRAHAM TRUST
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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Plans for the Future – key objectives

The challenge for the LGT is to be able to articulate the differences between what care is now and what it could or should be in the future so that the LGT can help meet the needs and aspirations of a post COVID-19 society.

Due to poverty rising more and more families are being separated due to people living in some of the worst conditions in our country that we have ever seen, we are about to go into a recession that will see more and more parents unable to care for their children. We need true reform and collaborative coalition building that is centred on the needs of people who live in poverty and have long term mental health and general health conditions.

The LGT would like to be pivotal in providing robust, honest services to people who are also at risk of losing their children to the system forever.

The main objective of the organisation is to continue to develop the best parenting capacity assessments that help people to achieve the goals that matter to them. Financially, the objective is to remain financially viable in the face of being a “spot purchase” facility.

The organisation will continue to work closely with the Local Authority partners to find the best outcomes for the families/clients the organisation supports and to ensure that the high standards of support are maintained.

The organisation is looking to grow the delivery of services to vulnerable people and to maintain the high quality of services that are currently provided while maintaining financial viability through pricing that reflects the cost of the services being provided. The environment within which the organisation will be operating will be very challenging and will require a re-evaluation of current models of delivery with a view to innovation and change and the introduction of technology to economically meet the demands of the Local Authority partners.

Risk Management

The Board of Trustees is responsible for the management of risks faced by the organisation and has conducted a review of the major risks to which the organisation is exposed and the systems established to mitigate those risks. The Board is satisfied that those systems are adequate to the level of risk.

The organisational risk register, which is monitored by the Service Manager, has been maintained throughout the year the document is a live register.

The key business risks identified by the organisation are as follows:

- 1. No referrals from Local Authorities***
- 2. The drive from Local Authorities to reduce provision***
- 3. The impact of policy driven to accommodate children rather than rehabilitate within families***
- 4. Competition developing similar model of working ie Barnardos, Step down***
- 5. Another outbreak of COVID-19 that would affect all staff***

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Risk Management (continued)

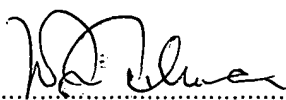
The organisation does, however, recognise that systems can only provide a reasonable but not absolute assurance that major risks are adequately managed, and fire risk issues are subject to a process of continual monitoring using the organisational fire risk register.

Appointment of Independent Examiner

The Board of Trustees are required by law to appoint an Independent Examiner and have appointed Wylie & Bisset LLP, 168 Bath Street, Glasgow G2 4TP. Wylie & Bisset LLP have intimated their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

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

Approved by the Trustees and signed on their behalf by:

.....

Date: October 19 2020

John Tilman
Chairman

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF THE LILIAS GRAHAM TRUST FOR THE YEAR ENDED 31 MARCH 2020

I report on the accounts of the charity for the year ended 31 March 2020, which are set out on pages 12 to 23.

Respective responsibilities of trustees and examiner

The charity's 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) (a) to (c) 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 by the charity 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 respects 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 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.

Wylie & Bisset LLP

Jenny Simpson BSc (Hons) FCA DChA

Wylie & Bisset LLP

Chartered Accountants

168 Bath Street

Glasgow

G2 4TP

Date: *11 November 2020*

THE LILIAS GRAHAM TRUST
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2020
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income and endowments from:							
Donations and legacies	4	47,264	6,499	53,763	116,729	13,031	129,760
Charitable activities	5	203,302	-	203,302	123,569	-	123,569
Other trading activities	6	1,046	-	1,046	1,564	-	1,564
Other income	7	-	3,974	3,974	-	-	-
Total Income		251,612	10,473	262,085	241,862	13,031	254,893
Expenditure on:							
Raising funds							
Raising donations & legacies	8	3,384	-	3,384	4,840	-	4,840
Charitable activities	10	263,652	10,473	274,125	328,717	13,031	341,748
Total Expenditure		267,036	10,473	277,509	333,557	13,031	346,588
Net (expenditure)		(15,424)	-	(15,424)	(91,695)	-	(91,695)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(15,424)	-	(15,424)	(91,695)	-	(91,695)
Funds reconciliation							
Total funds brought forward	17	338,636	-	338,636	430,331	-	430,331
Total funds carried forward	17	323,212	-	323,212	338,636	-	338,636

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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BALANCE SHEET AS AT 31 MARCH 2020

	Note	Total Funds 2020 £	Total Funds 2019 £
Fixed assets:			
Tangible assets	14	296,008	311,226
Total Fixed Assets		<u>296,008</u>	<u>311,226</u>
Current assets:			
Debtors	15	9,114	3,523
Cash at bank and in hand		34,966	32,777
Total Current Assets		<u>44,080</u>	<u>36,300</u>
Liabilities:			
Creditors falling due within one year	16	(16,876)	(8,890)
Net Current assets		<u>27,204</u>	<u>27,410</u>
Net assets		<u>323,212</u>	<u>338,636</u>
The funds of the charity:			
Restricted income funds	17	-	-
Unrestricted funds	17	323,212	338,636
Total charity funds	17	<u>323,212</u>	<u>338,636</u>

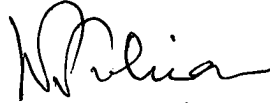
These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

For the year ended 31 March 2020 the company was entitled to exemption under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the Trustees and signed on their behalf.

NAME: JOHN TILMAN


Date: October 19, 2020

Company No: SC212857

THE LILIAS GRAHAM TRUST
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 17.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies (continued)

(c) Income recognition (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Costs of raising donations and legacies comprise the costs associated with attracting voluntary income;
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the time spent between raising funds and the delivery of services. The allocation of support and governance costs is analysed in note 9.

THE LILIAS GRAHAM TRUST
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies (continued)

(g) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

	<u>Basis</u>
Property improvements	4% on cost
Plant and office equipment	20 - 33% on cost
Motor vehicles	25% on cost

(h) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(i) Debtors

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

(j) 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.

(k) 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.

(l) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(m) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities. The obligation to pay future rentals on operating leases is shown by way of a note to the accounts

THE LILIAS GRAHAM TRUST
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies (continued)

(n) Financial instruments

The trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(o) Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(p) Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

2. Legal status of the Trust

The Trust is a registered Scottish charity and is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019: £nil). There were no expenses paid to or waived by the trustees in the year (2019: £nil).

During the year there were no transactions between the charity and High Corries IT Services (2019: High Corries IT Services provided IT support to the charity for a fee of £1,620). High Corries IT Services is owned by Cath Morrison's husband. Cath Morrison is the Chief Executive Officer.

4. Income from donations and legacies

	2020	2019
	£	£
Donations	2,382	1,830
General grants	51,381	127,930
	<u>53,763</u>	<u>129,760</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

5. Income from charitable activities

	2020 £	2019 £
Delivery of services	203,302	123,569
	<u>203,302</u>	<u>123,569</u>

6. Income from other trading activities

	2020 £	2019 £
Fundraising	1,046	1,564
	<u>1,046</u>	<u>1,564</u>

7. Other incoming resources

	2020 £	2019 £
CJRS Grant	3,974	-
	<u>3,974</u>	<u>-</u>

8. Raising funds – expenditure on raising donations and legacies

	2020 Direct Costs £	2020 Support Costs £	2020 Total £	2019 Direct Costs £	2019 Support Costs £	2019 Total £
Marketing and publicity	-	3,384	3,384	-	4,840	4,840
	<u>-</u>	<u>3,384</u>	<u>3,384</u>	<u>-</u>	<u>4,840</u>	<u>4,840</u>

9. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	2019 Total allocated £	2019 Governance related £	2019 Other support costs £	Basis of apportionment
Staff costs	49,749	4,975	44,774	Staff time
Total	<u>49,749</u>	<u>4,975</u>	<u>44,774</u>	

Cost type	2020 Total allocated £	2020 Governance related £	2020 Other support costs £	Basis of apportionment
Staff costs	32,687	3,269	29,418	Staff time
Total	<u>32,687</u>	<u>3,269</u>	<u>29,418</u>	

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

9. Allocation of governance and support costs (continued)

Governance costs:	2020	2019
	£	£
Independent Examiners' remuneration	1,155	780
Costs of meetings	-	236
Support costs (see above)	3,269	4,975
	<u>4,424</u>	<u>5,991</u>

Breakdown of governance and support costs by activity

	2020	2020	2020	2019	2019	2019
	Support	Governance	Total	Support	Governance	Total
	Costs	Costs		Costs	Costs	
	£	£	£	£	£	£
Fundraising	2,942	442	3,384	4,269	571	4,840
Delivery of services	26,476	3,982	30,458	40,505	5,420	45,925
	<u>29,418</u>	<u>4,424</u>	<u>33,842</u>	<u>44,774</u>	<u>5,991</u>	<u>50,765</u>

10. Analysis of expenditure on charitable activities

	2020	2019
	£	£
Staff costs	158,986	192,875
Family support costs	18,344	23,680
Travel and vehicle costs	8,606	10,393
Property costs	21,007	24,324
Depreciation	13,802	22,527
Office & administration costs	10,683	11,530
Repairs and maintenance	11,036	8,212
Irrecoverable VAT	1,803	2,282
Governance costs (note 9)	3,982	5,420
Support costs (note 9)	26,476	40,505
	<u>274,125</u>	<u>341,748</u>

11. Analysis of staff costs and remuneration of key management personnel

	2020	2019
	£	£
Salaries and wages	149,840	209,184
Social security costs	10,297	15,277
Pension Contributions	2,482	3,740
Total staff costs	<u>162,619</u>	<u>228,201</u>

Key management personnel remuneration	<u>32,687</u>	<u>44,896</u>
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No employees had employee benefits in excess of £60,000 (2019: None).

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

11. Analysis of staff costs and remuneration of key management personnel (continued)

	2020 No.	2019 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	10	8

12. Net income/(expenditure) for the year

	2020 £	2019 £
This is stated after charging:		
Depreciation	15,218	22,527
Independent Examiner's remuneration	1,155	780

13. Government Grants

Income from government grants comprise £3,974 as part of the Coronavirus Job Retention Scheme. The purpose of the grant is to ensure employers can pay and retain staff during the COVID-19 pandemic.

14. Tangible Fixed Assets

	Property Improvements	Lily Cottage	Plant & Office Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2019	63,767	294,987	123,252	37,550	519,556
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2020	63,767	294,987	123,252	37,550	519,556
Depreciation					
At 1 April 2019	14,094	35,213	121,473	37,550	208,330
Charge for the year	2,551	11,799	868	-	15,218
Depreciation on disposals	-	-	-	-	-
At 31 March 2020	16,645	47,012	122,341	37,550	223,548
Net book value					
At 31 March 2020	47,122	247,975	911	-	296,008
At 31 March 2019	49,673	259,774	1,778	-	311,226

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

15. Debtors

	2020	2019
	£	£
Trade debtors	1,560	-
Prepayments	3,340	1,041
Accrued income	4,179	2,482
Other debtors	35	-
	<u>9,114</u>	<u>3,523</u>

16. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	4,466	3,952
Other taxes and social security costs	10,483	3,658
Other creditors	1,927	1,280
	<u>16,876</u>	<u>8,890</u>

17. Analysis of charitable funds

2019	2018				2019
Analysis of	Balance	Income	Expenditure	Transfers	Fund
Fund movements	b/fwd	£	£	£	c/fwd
	£				£
Unrestricted funds					
Tangible Fixed Assets	331,595	-	(21,900)	1,531	311,226
Total designated funds	331,595	-	(21,900)	1,531	311,226
General funds	98,736	241,862	(311,657)	(1,531)	27,410
Total unrestricted funds	430,331	241,862	(333,557)	-	338,636
Restricted funds					
Transport Scotland	-	3,031	(3,031)	-	-
Volant Trust	-	10,000	(10,000)	-	-
Total restricted funds	-	13,031	(13,031)	-	-
TOTAL FUNDS	430,331	254,893	(346,588)	-	338,636

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

17. Analysis of charitable funds (continued)

2020 Analysis of Fund movements	2019 Balance b/fwd £	Income £	Expenditure £	Transfers £	2020 Fund c/fwd £
Unrestricted funds					
Tangible Fixed Assets	311,226	-	(15,218)	-	296,008
Total designated funds	311,226	-	(15,218)	-	296,008
General funds	27,410	251,612	(251,818)	-	27,204
Total unrestricted funds	338,636	251,612	(267,036)	-	323,212
Restricted funds					
Transport Scotland	-	1,499	(1,499)	-	-
UK Government	-	3,974	(3,974)	-	-
Volant Trust	-	5,000	(5,000)	-	-
Total restricted funds	-	10,473	(10,473)	-	-
TOTAL FUNDS	338,636	262,085	(277,509)	-	323,212

- a) The unrestricted funds are available to be spent for any of the purposes of the charity.

The Trustees have created the following designated funds:

Tangible Fixed Assets – the fixed asset fund reflects the funds tied up in the net book value of the fixed assets.

- b) Restricted funds comprise of:

The Transport Scotland grant is in relation to the minibus fuel costs.

The UK Government Grant was funding towards salary costs as a result of the Coronavirus.

Donations from the Volant Trust was funding towards the Outreach project.

18. Net assets over funds

2019	Unrestricted Funds £	Restricted Funds £	Total £
Tangible fixed assets	311,226	-	311,226
Debtors	3,523	-	3,523
Cash at bank and in hand	32,777	-	32,777
Current liabilities	(8,890)	-	(8,890)
	338,636	-	338,636

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

18. Net assets over funds (continued)

2020	Unrestricted Funds £	Restricted Funds £	Total £
Tangible fixed assets	296,008	-	296,008
Debtors	5,140	3,974	9,114
Cash at bank and in hand	38,940	(3,974)	34,966
Current liabilities	(16,876)	-	(16,876)
	<u>323,212</u>	<u>-</u>	<u>323,212</u>

19. Lease Commitments

At the balance sheet date, amounts due under operating lease commitments for equipment were as follows:

	2020 £	2019 £
Lease commitments falling due within 1 year	787	787
Lease commitments falling due in more than 1 year but less than 5 years	9,446	10,234
	<u>10,233</u>	<u>11,021</u>

20. Contingent Assets/Liabilities

The Charity's VAT registration and the VAT status of its services are the subject of an ongoing case with HMRC. HMRC state that the services provided by the charity are VAT exempt, with this case being heard at a First Tier Tribunal on 8 November 2018. The decision was issued on 29 August 2019 and in the written decision, the judge noted that;

'If HMRC are successful then LGT would be deemed to have made exempt supplies and, consequently, it would have over declared output tax (VAT) to HMRC. After deducting over-claimed input tax (VAT), LGTs net position is that it would be due a net VAT repayment of £400,490.97 from HMRC.'

Advisers to the Trustees believe that the Judge has mis-interpreted the facts of the case and have consequently lodged an appeal (24 October 2019) on the basis that it has not been sufficiently demonstrated that the provision of accommodation is an exempt supply (and otherwise taxable). At the time of signing these accounts, the Charity has been granted an appeal to the Upper Tier Tribunal which will be heard in 2021, and as a result a final decision has not yet been reached regarding this case.

The trustees have also written to HMRC to request clarification on the apparent VAT repayment due as referred to in the judgement. In the absence of any definitive response, it is considered prudent for the Trustees to treat the sum of £400,490.97 both as a contingent asset and liability on the basis that any repayment of over declared output VAT may carry with it a provision as regard the beneficial entitlement to any such repayment by the service provider or the recipient of such services.