

ANSWER PROJECT
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

31ST MARCH 2019

Registered number: SC 212773

Charity number SC029271

ANSWER PROJECT

COMPANY INFORMATION

31st March 2019

COMPANY NUMBER	SC 212773
CHARITY NUMBER	SC029271
DIRECTORS	R Cook Rev S Roy M Cook S Omale M Young
SECRETARY	R Cook
REGISTERED OFFICE	15a West End, West Calder EH55 8EH
INDEPENDENT EXAMINER	Brian Maloney, FCCA, 15a West End, West Calder EH55 8EH
SOLICITOR	Sneddon & Sons, East Main Street, Whitburn

The directors are pleased to present their annual trustees report together with the financial statements of the charity for the year ended 31 March 2019 which are also prepared to meet the requirements for a directors report and accounts for Companies Act purposes.

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) and the Companies Act 2006.

Structure Governance & Management

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as directors.

Governing Document

The organisation is a charitable company limited by guarantee. The company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Objects of the Charity, Principal Activities and Organisation of our Work

The principal objectives of the charity is to contribute to the raising of the quality of life for the wide cross section of people in the Whitburn area.

The charity is organised so that the directors meet regularly to manage its affairs. Any risks to which the charity may be exposed have been reviewed and systems have been established to mitigate those risks.

Risk Management

The board of directors have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Directors and Directors Interests

The directors hold no share capital as the charity is limited by guarantee.

Achievements and Performance

With the construction of the day centre and the front foyer completed in earlier years the directors embarked on a campaign to consolidate the charity's position both financially and to encourage usage of the various facilities on offer.

Reserves Policy

The present level of funding is adequate to support the continuation of activities for the foreseeable future and the directors consider the financial position of the charity to be satisfactory.

Plans for Future Periods

The charity plans continuing the activities in the forthcoming year subject to satisfactory funding arrangements.

Trustee Induction and Training

All new board members receive an induction pack of information about Answer Project and how it operates and guidance as to their responsibilities as trustees and company directors.

ANSWER PROJECT**REPORT OF THE TRUSTEES (Cont'd)**
YEAR ENDED 31ST MARCH 2019**Responsibilities of Board of Management**

The board of directors (who are also trustees of the charity for the purposes of charity law) are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the net income and expenditure, for the financial year. In preparing these 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Management Committee

Members of the Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out in page 1.

Trustee

.....

Date

.....

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF ANSWER PROJECT
FOR THE YEAR ENDED 31 MARCH 2019**

I report on the financial statements of the above charity for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet and related notes.

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 (as amended).

The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 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 such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements;
to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations and;
to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts 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.

Brian Maloney,
F.C.C.A.,
15a West End,
West Calder
EH55 8EH

Date

ANSWER PROJECT

Statement of Financial Activities
(including income & expenditure account)
for the year ended 31st March 2019

	Note	Unres'd	Restricted	2019	2018
		£	£	£	£
Income					
Donations & Legacies	4	3,389	1,053	4,442	8,101
Income from charitable activities					
Operation of Day Centre	5	73,175	38,602	111,777	76,389
Income from other trading activities	6	3,107	-	3,107	4,378
Investment Income		-	3	3	-
Total Income		79,671	39,658	119,329	88,868
Expenditure					
Operation of Day Centre	15	65,791	38,273	104,064	97,510
Total Expenditure		65,791	38,273	104,064	97,510
Net Incoming Resources before Transfers		13,880	1,385	15,265	(8,642)
Gross Transfers between Funds		-	-	-	-
Net Movement in Funds		13,880	1,385	15,265	(8,642)
Reconciliation of Funds					
Total Funds Brought Forward		(17,346)	336,426	319,080	327,722
Total Funds Carried Forward		(3,466)	337,811	334,345	319,080

Movements in funds are shown in note 12.

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

**ANSWER PROJECT
BALANCE SHEET
at 31st March 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	7	334,526	343,634
Current assets			
Debtors & Prepayments	8	3,703	3,453
Cash at bank and in hand		21,398	11,861
		<u>25,101</u>	<u>15,314</u>
Liabilities: Creditors: amounts falling due within one year	9	(13,341)	(14,204)
Net current assets		<u>11,760</u>	<u>1,110</u>
Net Assets		346,286	344,744
Liabilities: Creditors: amounts falling due within one year	10	(11,941)	(25,664)
		<u>334,345</u>	<u>319,080</u>
Funds			
Unrestricted Fund	12	(3,466)	(17,346)
Restricted Fund	12	337,811	336,426
Total Funds		<u>334,345</u>	<u>319,080</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2019. The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31st March 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for;

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on _____ and were signed on its behalf by;

..... (Trustee)

ANSWER PROJECT
Notes to the Accounts

1 Accounting policies

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

Basis of Preparation

The financial statements have been prepared in accordance with 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 the Republic of Ireland (FRS 102) (effective January 2015) (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Answer Project meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historical cost.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Incoming Resources

All incoming resources are included in the statement of financial activities where the charity is entitled to the income and the amounts can be quantified with reasonable accuracy.

Resources Expended

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

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Equipment	33.33% reducing balance
Heritable Property	2% straight line
Furniture & Fittings	20% reducing balance

Allocation of Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. The bases on which support costs have been allocated have been set out in note 15.

Cashflow Statement Exemption

The charity has utilised the exemption conferred by SORP (FRS 102) in not preparing a cashflow statement for the year.

2 Net Income

This is stated after charging;

	2019 £	2018 £
Depreciation	11,166	11,126
Independent Examiners Fees	840	800
	<u>12,006</u>	<u>11,926</u>

3 Taxation

As a charity, Answer Project is exempt from tax on income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objects. No tax charges have arisen in the Charity.

4 Donations & Legacies

	Unrestricted £	Restricted £	2019 £	2018 £
Donation - Friends of Answer	-	456	456	691
- Other	1,039	397	1,436	2,887
- Ferguson Family	-	-	-	1,000
- John Thomson	-	100	100	1,233
- 50+ Network	350	-	350	450
- Green	2,000	-	2,000	-
WLC Councillor Disb (Xmas 17)	-	-	-	790
WLC Councillor Disb (Xmas 18)	-	100	100	600
St Vincent De Paul Society	-	-	-	300
Whitburn Pentecostal Church	-	-	-	150
	3,389	1,053	4,442	8,101

5 Income from Charitable Activities

	Unrestricted £	Restricted £	2019 £	2018 £
WLC (Day Centre)	43,315	-	43,315	44,260
WLC (Transport Grant)	-	4,813	4,813	2,703
W G Edwards Charitable Forum	-	1,000	1,000	-
West Lothian Dev Trust	-	4,419	4,419	-
Optima	-	-	-	988
Church of Scotland	-	-	-	1,000
Cruden Trust	-	-	-	500
Crerar Trust	-	12,870	12,870	-
Robertson trust	-	15,000	15,000	-
Ross & Liddell	-	500	500	-
Tesco Bags of Help	-	-	-	3,000
Cafe Income	626	-	626	6,103
Client Fee Income	27,745	-	27,745	16,255
Membership	-	-	-	5
Sundry Income	1,489	-	1,489	1,575
	73,175	38,602	111,777	76,389

6 Income from Other Trading Activities

	Unrestricted £	Restricted £	2019 Total £	2018 £
Charity Shop	-	-	-	260
Fundraising	1,290	-	1,290	1,340
Rental Income	1,817	-	1,817	2,778
	3,107	-	3,107	4,378

ANSWER PROJECT
Notes to the Accounts

7 Tangible fixed assets

Cost	Heritable Property £	Equipment £	Furniture & Fittings	Total £
1st April 2018	448,136	37,428	11,547	497,111
Additions	-	1,693	365	2,058
Disposals	-	-	-	-
31st March 2019	<u>448,136</u>	<u>39,121</u>	<u>11,912</u>	<u>499,169</u>
Depreciation				
1st April 2018	110,603	34,839	8,035	153,477
Charge for Year	8,963	1,427	776	11,166
Eliminated on Disposals	-	-	-	-
31st March 2019	<u>119,566</u>	<u>36,266</u>	<u>8,811</u>	<u>164,643</u>
Net book amount				
31st March 2019	<u>328,570</u>	<u>2,855</u>	<u>3,101</u>	<u>334,526</u>
1st April 2018	<u>337,533</u>	<u>2,589</u>	<u>3,512</u>	<u>343,634</u>

8 Debtors

	2019 £	2018 £
Sundry Debtors	2,581	2,495
Prepayments	1,122	958
	<u>3,703</u>	<u>3,453</u>

9 Creditors; Amounts falling due within 12 months

	2019 £	2018 £
Sundry Creditors	7,535	7,156
Pension Deficit Reduction Plan Payments	1,748	2,314
Accruals	4,058	4,058
Deferred Income	-	80
Tax & Social Security Costs	-	2
Loan	-	594
	<u>13,341</u>	<u>14,204</u>

10 Creditors; Amounts falling due within 12 months

Pension Deficit Reduction Plan Payments	<u>11,941</u>	<u>25,664</u>
---	---------------	---------------

ANSWER PROJECT
Notes to the Accounts

11 Share Capital

The company is limited by guarantee and does not have a share capital.

12 Movement in Funds

	As At 1 April 2018 £	Transfer of Funds	Incoming Resources £	Outgoing Resources £	As At 31 March 2019 £
Unrestricted Fund					
Day Centre	(17,346)	-	79,671	(65,791)	(3,466)
	(17,346)	-	79,671	(65,791)	(3,466)
Restricted Funds					
Building Fund	331,305	-	956	(9,748)	322,513
Arise West Lothian	129	-	-	(129)	-
WLC (Transport Grant)	2,163	-	4,813	(4,813)	2,163
Cruden Trust	500	-	-	(500)	-
Church of Scotland	1,000	-	-	(1,000)	-
WLC Councillors 2018	539	-	100	(639)	-
Crerar Trust	-	-	12,870	(1,380)	11,490
Robertson Trust	-	-	15,000	(15,000)	-
Ross & Liddell	-	-	500	(500)	-
WLDT - Flooring	-	-	3,839	(3,839)	-
WLDT - Laptop	-	-	580	(194)	386
WG Edwards	-	-	1,000	(333)	667
Optima	790	-	-	(198)	592
	336,426	-	39,658	(38,273)	337,811
TOTAL FUNDS	319,080	-	119,329	(104,064)	334,345

Unrestricted Funds

The purpose of the day centre fund is primarily to fund the day centre activities.

Restricted Funds

The purpose of the building fund was primarily to fund the completion of the day centre.

Cruden Trust - The purpose of this fund was to help with funding for the employment of a caretaker who was hired in May 2018.
in May 2018.

Arise West Lothian - the purpose of this fund was to purchase a greenhouse for the day centre.

WLC (Transport Grant) - purpose of this fund was to provide funding towards the charity's transportation costs.

Cruden Foundation - the purpose of this fund was to help provide funding towards the Day Care caretaker.

WG Edwards Charitable Foundation - the purpose of this fund was enable the purchase of a defibrillator/

Robertson Trust - the purpose of this fund was to provide support for the Day Care manager's salary.

12 Restricted Funds (cont'd)

Ross and Liddell - to provide financial assistance with Day Care's social activities and outings.

WLDT - provided funds towards replacement flooring and a laptop

Church of Scotland - The purpose of this fund was to help provide funding for the employment of a caretaker at Answer Day Centre. A caretaker was hired in May 2018.

WLC Councillors Disbursement Fund 2018 - The purpose of this fund was to provide funding for the pensioners 2018 Christmas party at Answer Day Centre.

Optima - The purpose of this fund was to provide funding for the purchase of tables. The grant of £988 was fully spent during the year. Depreciation of £198 has been included to represent the cost of the tables acquired.

13 Trustee Remuneration & Related Party Transactions

No remuneration was received by any director during the year (2018 - nil). No travel costs were reimbursed to any member of the board of directors during the year (2018- nil).

No director or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2018 - nil).

14 Staff Costs and Numbers

Staff Costs were as follows:

	2019	2018
	£	£
Salaries and Wages	63,957	53,638
Social Security Costs	-	-
Pension Costs (included Admin Costs)	(11,484)	344
	<u>52,453</u>	<u>53,982</u>

No employee received emoluments of more than £60,000.

The average monthly number of employees during the year were:

2019	2018
Number	Number
<u>5</u>	<u>7</u>

The charity contributes to a multi-employer defined benefits scheme. Details of this scheme are outlined in note 18 of the financial statements. on page 12.

15 Analysis of Expenditure on Costs of Charitable Activities

	Day Centre Services 2019 £	Total 2019 £	Total 2018 £
Direct Costs - Food & Cards	7,649	7,649	7,026
Kitchen Equipment & Consumables	900	900	548
Staff Costs (Including Pension)	41,962	41,962	43,186
Premises Costs	14,520	14,520	9,662
Transport Costs	5,543	5,543	4,137
General, Office & Communications	3,646	3,646	4,613
Training	605	605	-
Depreciation	8,933	8,933	8,901
Bank Charges	(110)	(110)	279
Charitable Donations	50	50	91
Events, Outings & Activities	910	910	1,325
Support Costs (See Note 16)	18,169	18,169	17,389
Fundraising	21	21	129
Publicity & Recruitment	1,266	1,266	224
	<u>104,064</u>	<u>104,064</u>	<u>97,510</u>

16 Support Costs

	General Support £	Governance Function £	Total 2019 £	Basis of Apportionment
General Staff Costs	10,491	-	10,491	Staff Time
Premises Costs	3,630	-	3,630	Floor Area
General Office & Communications	911	-	911	Usage
Depreciation	2,233	-	2,233	Usage
Legal & Professional	64	-	64	Governance
Independent Examiners Fee	-	840	840	Governance
	<u>17,329</u>	<u>840</u>	<u>18,169</u>	

17 Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 March 2019 as represented by:			
Tangible fixed assets	-	334,526	334,526
Current Assets	21,816	3,285	25,101
Current Liabilities	(13,341)	-	(13,341)
Non-Current Liabilities	(11,941)	-	(11,941)
Net Assets at 31 March 2019	<u>(3,466)</u>	<u>337,811</u>	<u>334,345</u>

18 Pensions

The charity participates in the Scottish Voluntary Sector Pension Scheme which is a multi-employer defined benefit scheme. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is classified as a 'last man standing arrangement'. Therefore, the charity is potentially liable for other participating employers obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows;

Deficit Contributions (1/4/19 to 30/09/2026)	£1,500,000 per annum
Deficit Contributions (1/4/19 to 31/03/2024)	£ 82,000 per annum

Unless a concession has been agreed with the Trustee the term to 31 September 2026 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30/09/2014. This valuation showed assets of £88.2m, liabilities of £122.1m and a deficit of £33.9m. To eliminate this funding shortfall, the trustee asked the participating employers to pay additional contributions to the scheme as follows;

From 01/04/2026 to 31/10/2029	£1,323,116 per annum
From 01/04/2016 to 30/09/2031	£292,375 per annum
From 01/04/2016 to 30/09/2031	£37,475 per annum

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in the disclosures. The unwinding of the discount rate is recognised as a finance cost.

ANSWER PROJECT
Appendix I (Day Care)
Year ended 31st March 2019

	2019 £	2018 £
Income		
Grants & Donations	85,406	59,861
Cafe Income, Clients Fees & Other	32,967	28,266
	<u>118,373</u>	<u>88,127</u>
 Charitable Expenditure		
Direct Costs	7,649	7,026
Wages & Nat Ins	63,937	53,638
Pension (Including Admin Costs)	(11,484)	102
Training	605	-
Advertising	1,266	224
Transport Costs	3,433	1,373
Transport Costs - Volunteer Expenses	1,710	2,764
Volunteer Expenses	400	-
Telephone	1,163	1,124
Postage & Stationery	1,051	1,121
Heat & Light	3,825	4,342
Repairs and Upkeep	9,225	1,844
Insurance	532	635
Outings, Games & Entertainment	910	1,325
Rent & Rates	303	906
Fundraising	21	129
Hire & Lease of Equipment	-	1,161
Cleaning	4,383	4,478
Bank Charges	(110)	279
Sundry expenses (incl'd care commission fees)	1,864	1,943
Vending Costs	544	415
Donations	50	91
Accountancy	600	560
Depreciation	2,439	2,296
	<u>94,316</u>	<u>88,018</u>
 Net Surplus for Year	<u><u>24,057</u></u>	<u><u>109</u></u>

Answer Project
Appendix II (Building Fund)
Year ended 31st March 2019

	2019 £	2018 £
Income		
Grants & Donations	953	691
Grant - West Lothian Development Trust	-	-
Sundry Income	-	50
Bank Interest	3	-
	<hr/> 956	<hr/> 741
 Charitable Expenditure		
Repairs	249	-
Insurance	532	422
Accountancy	240	240
Depreciation	8,727	8,830
	<hr/> 9,748	<hr/> 9,492
 Net Deficit for Year	 <hr/> <hr/> (8,792)	 <hr/> <hr/> (8,751)