

Registered number: SC280397
Charity number: SC030516

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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SCOTTISH LOVE IN ACTION

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SCOTTISH LOVE IN ACTION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2016

Trustees

Gillie Davidson, Chairperson
Christopher Horne, Convenor
Alison Erlanger
Brian Barron (retired 3 February 2016)
Clare Jack
James Inch
James Tulloch (appointed 11 April 2016)
James Young
Lesley Murphy (appointed 4 February 2016)
Malcolm Jack (retired 10 April 2016)
Richard Dunbar (appointed 4 February 2016)
Robin Fallas (retired 3 February 2016)
Sheila Cannel (appointed 4 February 2016)
Susan Dick
Susan Inch

Company registered number

SC280397

Charity registered number

SC030516

Registered office

St Ninians Centre
140 The Pleasance
Edinburgh
EH8 9RR

Company secretary

Victoria Watson

Executive Director

Colin McRae

Independent auditors

French Duncan LLP
Chartered Accountants & Statutory Auditors
56 Palmerston Place
Edinburgh
EH12 5AY

Bankers

Bank of Scotland
Morningside Road
Edinburgh
EH16 6NL

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Scottish Love in Action (the company) for the year ended 30 June 2016. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015)

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance document

The company, which is a recognised charity in Scotland, is constituted under a Memorandum of Association dated 23 January 2005 and revised 26 July 2012.

Appointment of Trustees

The Board has planned for rotation of trustees. New Trustees are selected according to the skills that the Board feels are required.

The charity has an approved policy for the induction of new Trustees.

Three Trustees retired in the course of the year under review under the planned system for rotation and renewal. The Board is very grateful for their significant contributions. Three new Trustees were appointed in February 2016 and another new trustee appointed in April 2016.

Board of Trustees

The Trustees make strategic decisions regarding the charity and delegate day to day operations to the Executive Director.

The Board of Trustees meets at least six times a year.

Audit committee

The members of the Audit Committee are:

James Young (Chairperson)
Clare Jack
Peter Yellowlees (Non Trustee - retired 14 October 2016)
Richard Dunbar (Joined 14 October 2016)

The Audit Committee undertakes a detailed review of the Annual Accounts including meeting the auditors and maintains oversight of the year end accounting and audit processes.

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

Risk Management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Trustees review the charity's risk matrix once a year, with a six month review carried out by the Audit Committee.

OBJECTIVES AND ACTIVITIES

Objectives

The overall objective of the charity is to care for and support destitute children in India. It does this at present by providing funding and other support to NASA (Nazareth Association of Social Awareness), our non-governmental organisation (NGO) partner. NASA has a range of activities in support of disadvantaged people in India, including the Light of Love Home and School (LLCH) in Tuni in the State of Andhra Pradesh in South-East India, for which SLA is the core funder.

The charity raises funds to feed, clothe, educate and provide medical care for children in the Tuni Home who are either orphans or whose remaining relatives cannot support them. For some years the target figure has been 500 children but this is currently under review

We have a joint vision with NASA to provide each child with the life skills and education necessary to develop their potential, to lead independent lives and to realise their dreams, thus escaping the poverty trap for themselves and future generations.

The charity has continued work into investigating and developing new projects supporting destitute children in India.

Activities

The charity promotes its profile and raises funds by conducting fundraising events; by giving talks to groups and schools; and by issuing newsletters to supporters and potential supporters. We also aim to send two volunteer expedition groups a year to promote fundraising and give direct experience of the work done in India.

We have support from a number of trusts and businesses and we encourage the commitment of regular giving from individual supporters.

We continue to work with NASA to develop processes and controls which ensure that funds sent to India are used properly and effectively.

Volunteers

The charity relies on the significant support of volunteers, for which the Board is very grateful. It does not attribute a value in monetary terms to this support in the Statement of Financial Activities.

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES

The charity has continued to develop its support for destitute children in India.

In the past year continued support has been given to the children at the Light of Love Home and School (LLCH) maintaining the standard of care and education to the high level achieved. In 2015-2016 the charity has also made considerable progress towards its objectives of widening its support for vulnerable children through new projects; and simultaneously developing sustainability which will underpin its ability to support greater numbers of destitute children in a variety of contexts. We anticipate that the work done in 2015-2016 will begin to bear fruit in 2016-2017.

Light of Love Home and School

The number of children at LLCH both in the school and in further education is again below the agreed target figure of 500 (443 in 2015-2016). The reasons are as explained in the 2014-2015 report, and relate mainly to government action in India to maximise enrolment in government schools (in spite of generally lower standards and levels of achievement there). In particular, LLCH has for some years received a significant number of children from tribal areas (among the most deprived) but it is not now anticipated that tribal children will seek admission in future. Culturally, it is also difficult to persuade relatives, who are themselves illiterate and living at bare subsistence, of the value of allowing a child to prolong education.

After the death of our Indian Partner's founder and Chief Functionary Dr Christopher Premdas in April 2015 our partner has spent time considering succession planning and determining how best to structure the organisation going forward. The conclusion and recommendation is that LLCH and the new medical centre should be transferred to a separate NGO with Premdas' son, Sony Wood becoming its Chief Functionary. Currently the charity is working with its Indian Partner to determine how this can be realised and ensure that all the necessary Government requirements are in place to enable the charity to fund LLCH directly through the new NGO.

The death of Dr Premdas has had a profound effect on his family as well as on NASA, the organisation he founded and inspired. In order to allow the family time and space to grieve, and the organisation to concentrate on succession planning and the consequent administrative and governance changes noted above, the Trustees agreed to suspend the Volunteer Visits scheme for one year. The scheme is now again active and the next group of volunteers will go to India in November 2016.

Capital Projects at LLCH

Over the sixteen years of funding of LLCH a regular programme of capital developments has been maintained. With the completion of the two most recent large-scale projects (the new boys dormitory block and the medical centre) no new major capital projects were necessary in 2015-16 and no further projects of this scale are anticipated as the campus is fully developed.

Two smaller scale capital projects were funded:

- **Washing Machines.** Due to the difficulties of recruiting reliable dhobis, increased salaries and also to save water, our partner decided the most suitable and cost effective solution was to purchase an industrial washing machine and a water extractor machine. These were installed in a previously used store room on the main campus and a former Student employed to be responsible for maintenance and the general running of the laundry programmes.
- **New computers.** In 2012 we were able to fund a computer lab in conjunction with Glaxo Smith Kline (GSK) who provided funding for the first 6 months running costs and donated reconditioned machines. Some of those machines are now inoperable and 5 have been replaced with new desktop computers.

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

Although no major capital projects are required at LLCH an increasing amount of maintenance work is necessary due to the number and age of the buildings and vehicles. Therefore a maintenance budget line was introduced in 2014 to meet those requirements. In 2015-16 the following major maintenance work was undertaken: building repair work in the senior Boys block necessitated by water damage and poor original construction, along with repairs to cracks in the roof and chemical sealing to prevent further damage; and reconstruction of a shuttle (badminton) court damaged during a Cyclone.

LLCH Home

The Home currently provides accommodation, a balanced and nutritious diet, clothing and education to over 440 children and young people. All come from situations of extreme poverty. Many have lost one or both parents; and in other cases factors such as disability or chronic illness mean that families cannot afford to support them or keep them at school.

LLCH School

- The school currently provides education for 345 children from Kindergarten to Class 10 (age approximately 16), through Telugu Medium and English Medium Streams within the school, with a staff of 24 teachers headed by Kishore. The reduction in the number of children is addressed above.
- The school has continued to develop the quality of teachers and the retention rate remains satisfactory. The challenge for the school, as it is for all schools in rural areas, is to recruit English medium trained teachers of good quality being the key to further improving the English medium stream of the School.
- The school continues to develop high quality education, with the end of year exam results showing that 80% of the Telugu medium students and 87% of the English Medium students scored over 70%. The school have worked hard with the C grade students identifying them as soon as possible, and then providing additional support. This work has ensured they have achieved better results.
- All of the 36 students passed the main set of Indian school external examinations at the end of Class 10. 88% of students achieved over 60 % and 13 were awarded an A pass mark (over 83%). These excellent results underline the achievement of the school in enhancing the lives of children previously denied the benefits of education.
- The English Medium stream in the school has been extended to Class 9 and this year (2016-2017) will include Class 10. Having full English Medium in the school from LKG to Class 10 is a significant moment in the school history.
- The Principal, Kishore, has continued to improve education in the School as clearly shown by the school's 10th class results and other school developments. A full time English Medium Head Teacher (Raju) has been introduced to develop English Medium teaching, working in parallel with Principal Kishore, who retains the role of Head Teacher of the Telugu medium stream. Raju had taught in LLCH before promotion to head teacher and all his previous experience is with English Medium teaching.
- Another development Kishore has introduced this year has been a system of awards for children in each class which has had a good impact.
- Students from 5th to 9th class received one practical computing class each week, building on the classes they attended over the last few years.
- A key objective for the charity and our Indian partner is to increase the number of girls playing sport and participating in competitions. Unfortunately last year our Indian partner was unable to recruit a female PE teacher (female teachers of PE are in short supply). Despite this they have continued to encourage girls to play sports.

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

LLCH Medical

- The health of the children is closely monitored by an in-house doctor (Dr Sowmya) and a qualified nurse. The children's health continues to improve through regular monitoring and preventative measures.
- Accidents and injuries are treated immediately by the staff but in certain cases they require to be treated in hospitals.
- All new children are immunised, a major factor in improved health overall.
- This year all Kindergarten children and other vulnerable children were vaccinated against flu.
- One of the major issues Dr Sowmya faces is that when children return to their villages in the summer they can then return to LLCH in poor health. An extreme example was a child with a chronic condition who was seriously ill on her return in Summer 2015 because her drugs had not been managed properly at home. In summer 2016 her visit to the village was very short and therefore she did not have the same problems.
- In the course of the year Dr Sowmya tested new children who were at high risk of being HIV+. An orphan girl was brought from the Government Hostel where she had been placed after her parents died of AIDS. She was identified as being depressed with suicidal tendencies especially after attaining puberty. The District Collector and his officials, knowing that LLCH was a secure place for her medically and mentally transferred the girl, who is herself HIV+ to LLCH in March 2016. Now she is getting better and is under medical & loving care of LLCH. Therefore there are now 7 children in the home with HIV. The children still receive free ART drugs from the government although they need to travel about an hour to Kakinada each month for these. This year there were two months when they were unable to get the ART drugs and these were purchased out of the LLCH budget. These children are also provided with a special rich diet.
- Dr Sowmya is currently undertaking an advanced course at Rajamundry, which will lead to a qualification in paediatrics at consultant level. During her periods in Rajamundry, arrangements have been made with a local doctor to treat any children who may need urgent medical attention that cannot be provided by the nurse.
- The medical centre reported on last year has been completed with an official opening ceremony on 27th September 2015. At present the centre is only used by the children at LLCH and a limited number of out patients. There are many benefits to the children having such a clinic available in that medical staff are now able to undertake most treatments in the centre, including
 - o Putting on plaster casts
 - o Carrying out minor operations in the medical theatre
 - o Having isolation wards
 - o Blood transfusions
 - o Dealing with all emergency cases as they have the required facilities x-ray, ECG etc.
 - o All blood testing
- Dr Sowmya considers the new clinic to be an excellent facility which is serving the children well; and is looking forward to be able to serve the wider community when she has finished her course and able to extend its reach.

Further and Higher Education

When children complete their school education the charity has always aimed to ensure that they are able to make the transition into independent adult living and break out of the cycle of poverty. This requires them to achieve vocational or professional qualifications. This cannot be guaranteed for all children but if the charity commits to fund a student starting a course of further education, the charity will continue to support them to the conclusion of the course. The aim has been to send as many young people as possible to university and college and the financial statements include actual and likely commitments in "creditors" and "funds" respectively.

For the academic year 2015-2016 the charity was able to fully fund 80 students to attend intermediate college, polytechnic or other further education courses. For the academic year 2016-2017 there is agreement to fully fund 65 students.

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

10 students completed their higher and further education courses over the last year. A steady stream of young people are now moving on each year into work. This includes students completing courses in Nursing, Business and Commerce, and Engineering as well as vocational courses such as electrician and AC engineer.

The situation with regard to the funding of education after Class 10 has evolved significantly since the charity first agreed the above policy. Firstly, there has been an increase in the number of free seats in higher and further education, and in government grant support for students from poor backgrounds. Secondly the introduction of the ADHAR card which qualifies the holders for subsidised food and other benefits has made it possible for the relatives of children educated up to Class 10 at LLCH to support the children at home while they continue to study, rather than obliging them to take unskilled employment as soon as they have completed compulsory education at the age of 16.

Our partner has therefore developed an evolving scheme, encouraging relatives of children being educated at LLCH to save the benefits paid on their behalf towards their continuing education and support after Class 10, and stressing to them the value of encouraging continued education. This year they have identified a scheme whereby each group of relatives can set up their own savings scheme with LLCH and it is hoped that scheme would commence in the course of 2016/2017. An important part of the policy is to encourage relatives/guardians to take responsibility for and ownership of the child's education.

One immediate effect of this shift away from reliance on charity funding has been the introduction of the idea of "partial funding".

Last year was the first year our partners identified students completing 10th class and Intermediate College year 2, whose relatives can support them through the next stage of education. This has meant a good number of students are now partially supported and that children have been able to return to relatives who provide food and accommodation and who also either pay for their education or access government funding schemes or free seats. 'Partial funding' may involve a top up payment by the charity funds; providing required textbooks and stationery; or providing other additional support depending on the particular situation of individual students and their relatives.

Where children have no known relatives and guardianship is invested in the Director of LLCH, they continue to be supported as necessary by the charity and LLCH remains their home, even if they are studying away in term time.

The availability of government funding of this kind, and the efforts of our partner to ensure that entitled students are able to access such support, is very gratifying. As reported last year this means that the considerable sums the charity need to set aside to ensure students' costs through 3 or 4 years of post-school education are met will be much reduced and that has been the case in the last year.

This initiative will however require to be monitored closely. Students need to apply annually for the continuation of grants and free seats and experience has shown that support from Government sources can be unreliable.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

New Projects in India

As reported last year, it has for some time been a goal to broaden activity in supporting vulnerable children in India while retaining the primary focus of the charity in supporting LLCH. The Trustees have made good progress in 2015-2016 towards achieving this goal.

Following earlier work identifying key project criteria, the decision was made to concentrate on projects in the new state of Telengana (formed through the division of Andhra Pradesh) where the charity has experience of the areas of extreme poverty. Through a sub-committee of Trustees and volunteers an action plan was formulated to progress the "New Projects" initiative and a 4-stage process of identifying and selecting suitable projects and NGO partners began in August 2015, as follows:

Stage 1: applicant organisations requested to complete stage 1 application form. On the basis of information provided the charity shortlisted organisations which most closely matched the agreed criteria.

Stage 2: shortlisted organisations asked to complete a more detailed application form with further information.

Stage 3: final shortlist established; visits made to the shortlisted project leaders to explore issues in greater detail

Stage 4: visit to preferred organisation to carry out due diligence procedures and develop a Project agreement.

A good response was achieved. Six organisations were shortlisted based on 20 applications from a variety of NGOs active in supporting vulnerable children. The six organisations were visited by a team from the sub-committee in March 2016. The team's findings were reviewed by the sub-committee which recommended that two organisations should be supported, representing two different models of providing support to vulnerable children. The Board agreed to this recommendation, and agreed to support the two organisations on a pilot basis for a period of up to three years. After the pilot period, the charity will review the outcomes of the two project models and determine the most effective way to invest donor funds in future. The due diligence process for the two organisations will be completed by November 2016, and it is anticipated that funding will have commenced for both by November 2016.

This marks an exciting new phase in the development of the charity.

Fundraising Strategy

In 2012 the SLA Team developed and implemented a three year Fundraising Strategy which ran from 2012-2015. This strategy was very successful and was completed in 2015.

It was decided that it was not appropriate to embark on a new three year strategy until the charity had defined its strategic plan following resolution of succession and organisational matters at LLCH and identification of the type of new projects to be funded. A one year fundraising plan was therefore established focusing on existing income stream rather than developing new income stream activities.

The Trustees are now currently developing a strategic plan and from this a new 3 year Fundraising Strategy will be created.

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

Active Volunteers for Scottish Love in Action (ASLA)

We are fortunate to have a strong and loyal group of volunteers who now operate under the name ASLA (Active for SLA). ASLA was further developed this year to ensure the volunteer force is more aligned with the priorities of the Fundraising Strategy and the charity is better able to respond to the aspirations of supporters offering to serve on a voluntary basis. The charity has benefited enormously from their continued support, without which it would not have been possible to hold the successful Fireworks Extravaganza, cinema nights or bridge tournament. Individual volunteers have initiated numerous fundraising activities, including a Christmas party, Book and Soup Event, busking, art sale and many others too numerous to detail but for which the charity is, as ever, very grateful. Its thanks cannot be expressed strongly enough.

Self Sufficiency

The charity and its Indian partner have agreed to work together towards financial sustainability for LLCH.

As part of a stepped and progressive approach to developing sustainability we are supporting our partner in developing small scale sustainability projects as well as progressing a major Social Enterprise Project to underpin future developments.

Small scale projects

This year we continued work with our Indian partner to look at small scale sustainability projects which have the capacity to reduce the running costs of LLCH.

Social Enterprise project

In the course of the year the sub committee formed to oversee this project with partners in India planned a visit to India in July 2016 to meet those who would promote the business plan for a dairy enterprise and discuss the appointment of board members. The intent was also to meet with and determine the appointment of the appropriate professionals who would take forward the creation of the necessary entities in India in accord with National and State regulations, and in particular the requirements and provisions of Indian charity law. Those entities once established with the necessary approvals will be responsible for implementing the business plan. The intent is to generate a surplus which can be used to support both LLCH and future charity projects.

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

FINANCIAL REVIEW

Review of the year

2016 saw our expenditure exceed our income by £49,696 (2015 surplus £32,189) resulting in the total funds held at 30 June 2016 amounting to £550,368 (2015 £600,064). This is still a very healthy state of affairs. The deficit very much reflected that 2016 was a year of transition and reflection as the Charity defined its strategic plan to meet the succession and organisational matters at LLCH and identified the new projects to be funded. From this a fresh 3 year Fundraising strategy will be created.

As noted above, an interim one year fundraising strategy was put in place focusing on existing income streams rather than developing new income streams. This together with the fact that there were no volunteer trips in the year saw our income from donations fall to £333,247 (2015 £420,978), while our overall income fell to £391,669 (2015 £487,926)

Total expenditure for the year also fell slightly to £441,365 (2015 £455,737), but this was largely due to the fall in expenditure on fundraising activities. Ongoing expenditure in India did not diminish in the year, although capital project spend was down on the previous year as such projects were completed.

The Trustees continued to hold rupees to meet known future expenditure and monitored the exchange rate closely during the year. Indeed before the 23 June Referendum they decided it would be prudent to forward purchase an additional amount of rupees. As at 30 June 2016 the charity held 18,644,376 rupees which when using a closing exchange rate at that date of 90.69 rupees to the £ translated into £205,588. The exchange rate fall since the Referendum is a concern to the charity and the Trustees will continue to monitor the position closely.

The Reserves position and their allocation between the various Funds is set out in Note 17 and as at 30 June 2016 they amount to £550,368. The Trustees reaffirmed their obligations to the Home and School by retaining a Reserve of £363,000 (2015 £326,000) to cover 12 months running costs at Tuni. Given the current financial uncertainties, the commencement of 2 new projects and the exciting stage that the Social Enterprise Project has reached, the Trustees will be reviewing the level and allocation of these Reserves to make the best use of funds.

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

PLANS FOR THE FUTURE

Future developments

Plans for Year 2016-2017

In India:

1. Continue as core provider of funding for the Light of Love Home and School in Tuni, to ensure that good quality of care and education is provided for the children
2. Support our partner in attempting to gain more government funding for higher and further education courses, and further develop saving schemes to support older children in higher and further education courses.
3. Continue to provide support to children proceeding to Further and Higher Education after Intermediate College if other funding is not available.
4. Continue with the implementation phase of the Social Enterprise Project
5. Work with NASA to assist them establishing small scale sustainability projects which will contribute to the running costs of the Home.
6. Support two new projects in Telegana with the objective of supporting and mentoring vulnerable or street children into education in line with SLA New Project criteria.

In Scotland:

1. Re-orientate the SLA brand and marketing to reflect the developments in India
2. Develop and establish new SLA Development plan for 2017-2020
3. Develop and establish new Fundraising Strategy for 2017-2020
4. Strengthen our organisational capacity to support the developments noted above.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Scottish Love in Action for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company 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 SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. 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.

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

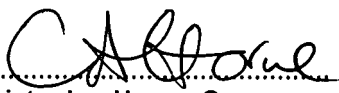
DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 10th November 2016 and signed on their behalf by:


.....
Christopher Horne, Convenor

SCOTTISH LOVE IN ACTION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF SCOTTISH LOVE IN ACTION

We have audited the financial statements of Scottish Love in Action for the year ended 30 June 2016 set out on pages 15 to 29. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 Auditors' 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, the charitable company's members as a body and the charitable company's Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Trustees have elected for the financial statements to be audited in accordance with the Charities and Trustee Investment (Scotland) Act 2005 rather than also with the Companies Act 2006. Accordingly we have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

SCOTTISH LOVE IN ACTION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF SCOTTISH LOVE IN ACTION

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



French Duncan LLP

Chartered Accountants & Statutory Auditors

56 Palmerston Place
Edinburgh
EH12 5AY

Date:

14/12/2016

French Duncan LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SCOTTISH LOVE IN ACTION

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:					
Donations and Legacies	2	86,943	246,304	333,247	420,978
Other trading activities	3	-	57,568	57,568	65,109
Income from Investments	4	-	854	854	1,839
TOTAL INCOME		86,943	304,726	391,669	487,926
EXPENDITURE ON:					
Raising funds	5	-	67,894	67,894	82,517
Charitable activities	6	84,174	289,297	373,471	373,220
TOTAL EXPENDITURE		84,174	357,191	441,365	455,737
NET (EXPENDITURE) / INCOME BEFORE TRANSFERS					
Transfers between Funds	17	2,769 162	(52,465) (162)	(49,696) -	32,189 -
NET (EXPENDITURE) / INCOME		2,931	(52,627)	(49,696)	32,189
RECONCILIATION OF FUNDS:					
Total funds brought forward		17,639	582,425	600,064	567,875
TOTAL FUNDS CARRIED FORWARD		20,570	529,798	550,368	600,064

The notes on pages 18 to 29 form part of these financial statements.

SCOTTISH LOVE IN ACTION
REGISTERED NUMBER: SC280397

BALANCE SHEET
AS AT 30 JUNE 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		3,344		394
CURRENT ASSETS					
Stocks		-		352	
Debtors	14	58,601		34,198	
Cash at bank and in hand		510,188		592,743	
			<u>568,789</u>	<u>627,293</u>	
CREDITORS: amounts falling due within one year	15	(19,043)		(19,873)	
NET CURRENT ASSETS			<u>549,746</u>		<u>607,420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>553,090</u>		<u>607,814</u>
CREDITORS: amounts falling due after more than one year	16		(2,722)		(7,750)
NET ASSETS			<u><u>550,368</u></u>		<u><u>600,064</u></u>
CHARITY FUNDS					
Restricted funds	17		20,570		17,639
Unrestricted funds	17		529,798		582,425
TOTAL FUNDS			<u><u>550,368</u></u>		<u><u>600,064</u></u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 June 2016 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

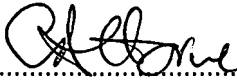
The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

SCOTTISH LOVE IN ACTION

BALANCE SHEET (continued)
AS AT 30 JUNE 2016

The financial statements were approved by the Trustees on 10th November and signed on their behalf, by:

2016



.....
Christopher Horne, Convenor

The notes on pages 18 to 29 form part of these financial statements.

SCOTTISH LOVE IN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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 for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Interest receivable

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

SCOTTISH LOVE IN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management costs. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

All resources expended are inclusive of irrecoverable VAT.

1.7 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.8 Tangible fixed assets and depreciation

The costs of minor additions (less than £500) are not capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment	- 33.3% straight line
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1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

SCOTTISH LOVE IN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES (continued)

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount paid in advance for future periods.

1.12 Cash at Bank and in hand

Cash at bank and 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.

1.13 Creditors and provisions

Creditors and provisions are recognised where the company 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.

1.14 Financial instruments

The company only has basic financial assets and liabilities. These are recognised at the amount payable or receivable.

1.15 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.16 Further Education

Once a student commences a further education course, the charity makes a commitment to fund the place through to the end of the course. If the student has started the course before the year end the full cost of the course is included in creditors. If the student has started the course between the year end and the date of the signing of the accounts, the full cost of the course is included within further education funds.

SCOTTISH LOVE IN ACTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. DONATIONS AND LEGACIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
General donations	71,639	156,175	227,814	275,989
Trusts	-	27,150	27,150	30,050
Schools	1,000	2,057	3,057	6,221
Businesses	-	961	961	1,582
Other organisations	1,000	12,277	13,277	9,670
Gift aid tax credit	13,304	32,683	45,987	61,305
Indian volunteer team programme	-	-	-	36,149
Legacies	-	15,000	15,000	12
Total	86,943	246,304	333,247	420,978

In 2015, the total income from donations and legacies related to £337,190 of unrestricted funds and £83,788 of restricted funds.

3. OTHER TRADING ACTIVITIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Fundraising Income	-	57,153	57,153	64,780
Charity trading income	-	415	415	352
Total	-	57,568	57,568	65,132

In 2015, the total income from other trading activities related to £65,132 of unrestricted funds.

4. INCOME FROM INVESTMENTS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest receivable	-	854	854	1,839

In 2015, the total income from investments related to £1,839 of unrestricted funds.

SCOTTISH LOVE IN ACTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

5. EXPENDITURE ON RAISING FUNDS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fundraising and donations	-	36,187	36,187	51,657
Staff costs	-	31,707	31,707	30,860
	<u>-</u>	<u>67,894</u>	<u>67,894</u>	<u>82,517</u>

In 2015, the total expenditure on raising funds related to £82,517 of unrestricted funds.

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Resources directly expended on charitable activities (note 7)	84,174	281,364	365,538	364,764
Governance costs (note 8)	-	7,933	7,933	8,456
Total	<u>84,174</u>	<u>289,297</u>	<u>373,471</u>	<u>373,220</u>

7. RESOURCES DIRECTLY EXPENDED ON CHARITABLE ACTIVITIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Feeding, clothing and accommodation	360	174,407	174,767	159,505
Medical care	1,174	17,894	19,068	16,795
School education	95	43,220	43,315	37,124
Further education	1,150	5,936	7,086	12,282
Capital projects	-	2,081	2,081	21,780
Social enterprise project - India	55,119	-	55,119	45,448
Development, monitoring and evaluation	17,885	31,959	49,844	53,554
English teaching programme	699	-	699	5,709
Other	7,692	5,867	13,559	12,567
Total	<u>84,174</u>	<u>281,364</u>	<u>365,538</u>	<u>364,764</u>

in 2015, the total expenditure on charitable activities related to £248,819 from unrestricted funds and £115,945 from restricted funds.

SCOTTISH LOVE IN ACTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

8. GOVERNANCE COSTS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Auditors fee	-	5,070	5,070	4,530
Bank charges	-	2	2	1
Other costs	-	623	623	478
Professional fees	-	13	13	1,350
Wages & salaries	-	1,975	1,975	1,757
Employers NIC	-	151	151	151
Pension costs	-	99	99	189
	<u>-</u>	<u>7,933</u>	<u>7,933</u>	<u>8,456</u>

In 2015, the total resources expended on governance costs related to £8,456 from unrestricted funds

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	2,066	894
Pension costs	2,984	6,753
	<u>2,984</u>	<u>6,753</u>

During the year, no Trustees received any remuneration (2015 - £NIL) or any benefits in kind (2015 - £NIL)

Three Trustees received reimbursement of expenses amounting to £1381 in the current year, (2015 - Three Trustees - £822).

Trustees expenses related to the reimbursement of travel expenses and other cost incurred on behalf of the charity.

10. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	5,070	4,530
	<u>5,070</u>	<u>4,530</u>

SCOTTISH LOVE IN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

11. FUND TRANSFERS

The transfers to / from designated funds are at the discretion of the Trustees to ensure the operational stability of the charity.

12. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	60,099	81,942
Social security costs	4,224	6,677
Other pension costs	2,984	6,753
	<u>67,307</u>	<u>95,372</u>

The average number of persons employed by the company during the year was as follows:

	2016 No.	2015 No.
Charitable activities	1	2
Fundraising and publicity	1	1
	<u>2</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total remuneration paid to key management personnel during the year was £47,611 (2015 - £42,957)

SCOTTISH LOVE IN ACTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

13. TANGIBLE FIXED ASSETS

	Equipment £
Cost	
At 1 July 2015	7,131
Additions	5,016
Disposals	(4,714)
	7,433
At 30 June 2016	7,433
Depreciation	
At 1 July 2015	6,737
Charge for the year	2,066
On disposals	(4,714)
	4,089
At 30 June 2016	4,089
Net book value	
At 30 June 2016	3,344
At 30 June 2015	394

14. DEBTORS

	2016 £	2015 £
Other debtors	21,042	684
Prepayments and accrued income	14,486	5,908
Gift Aid tax recoverable	23,073	27,606
	58,601	34,198
	58,601	34,198

15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
PAYE/NI	1,074	1,013
Other creditors	1,026	1,946
Further education	7,903	12,594
Accruals and deferred income	9,040	4,320
	19,043	19,873
	19,043	19,873

SCOTTISH LOVE IN ACTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

16. CREDITORS:

Amounts falling due after more than one year

	2016 £	2015 £
Further education	2,722	7,750
	<u>2,722</u>	<u>7,750</u>

17. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Carried forward £
Designated funds					
Operating reserve	326,000	-	-	37,000	363,000
Capital projects	10,000	-	-	-	10,000
Further education	5,000	-	-	-	5,000
Indian maintenance reserve	22,705	-	(20,327)	19,344	21,722
New projects	150,000	-	(5,051)	(44,949)	100,000
Exchange rate	30,000	-	-	(30,000)	-
	<u>543,705</u>	<u>-</u>	<u>(25,378)</u>	<u>(18,605)</u>	<u>499,722</u>
General funds					
General funds	38,720	304,726	(331,813)	18,443	30,076
Total unrestricted funds	<u>582,425</u>	<u>304,726</u>	<u>(357,191)</u>	<u>(162)</u>	<u>529,798</u>
Restricted funds					
School education	-	95	(95)	-	-
Fiona's immunisation fund	595	300	(1,057)	162	-
Further education	-	1,150	(1,150)	-	-
NASA medical centre	2,829	4,997	(6,197)	-	1,629
NASA leprosy	114	1,775	(1,495)	-	394
UK core expenditure	-	17,885	(17,885)	-	-
Classmates	3,840	-	(360)	-	3,480
Medical care	-	117	(117)	-	-
Social enterprise project - India	4,217	60,624	(55,119)	-	9,722
English teaching programme	3,088	-	(699)	-	2,389
Sustainability Project	2,956	-	-	-	2,956
	<u>17,639</u>	<u>86,943</u>	<u>(84,174)</u>	<u>162</u>	<u>20,570</u>
Total of funds	<u>600,064</u>	<u>391,669</u>	<u>(441,365)</u>	<u>-</u>	<u>550,368</u>

SCOTTISH LOVE IN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

DESIGNATED FUNDS

Operating reserve

The Trustees have resolved to hold a reserve of 12 months operating costs to provide security to the children in the Home. In particular, the Trustees have taken into account current high levels of inflation in India.

Capital projects

The SLA Trustees have committed to provide funds for future capital expenditure projects.

Further education

The SLA Trustees have set aside funds, beyond the restricted funds described below, for students expected to begin further education in July 2016. These amounts have not been provided in creditors in the financial statements as there were still conditions to be met at the year end.

Indian Maintenance Reserve

Given the age and conditions of the buildings at the Tuni Home, the Trustees have set aside funds to cover possible structures repairs over the next 3 years.

New projects

Following the Development Plan SLA has agreed to look for new projects to support destitute children in India. The Trustees have set aside funds to enable this work to be started.

Exchange rate

The Trustees are conscious of the effect that fluctuations in the exchange rate would have on the ability to fund their activities in the Home. To that extent forward purchase of Rupees has been made to cover known expenditure thus relieving the need for a reserve.

SCOTTISH LOVE IN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

RESTRICTED FUNDS

School education

Donations received to fund teachers' salaries and educational material in the Tuni School.

Fiona's immunisation fund

This fund was set up after the death of Dr Fiona Strachan in May 2008. The aim of the fund is to support the immunisation of children in the Homes in India and at the discretion of the directors the programme may be extended to give cover to children living in the wider community.

Further education

The charity has received funds to provide further education for students.

NASA medical centre

This money was provided to establish a Medical Centre for NASA to serve the wider community. This is a multipurpose clinic with phase 1 being for the children and phase 2 being for the wider community. Phase 1 was completed in September 2015 and Phase 2 is ongoing.

NASA leprosy

This money is provided to feed families suffering from leprosy, cared for by NASA and living beside SLA's compound. Funds are sent to NASA in advance of expenditure and as a result a debit balance can arise from time to time.

UK core expenditure

SLA has received a number of specific donations toward staff salaries and administration costs in the UK.

Classmates

In the year to 30 June 2010 a donation of £6,000 was received through the CLASSMATES scheme, to support one child over a 16 year period.

Medical care

Funding received for the health care of the children which covers doctors and nurses salaries and general operations.

Social Enterprise Project - India

SLA is receiving restricted donations to investigate the potential for financial sustainability in India through social enterprise. The funding covers staff salaries and all UK and India expenditure associated with this specific project.

English teaching programme

Grants were received to provide funding for the English teaching programme to be delivered at the Tuni school.

Sustainability Project

This fund is set up to support sustainability projects at LLCH.

SCOTTISH LOVE IN ACTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

17. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Carried forward £
Designated funds	543,705	-	(25,378)	(18,605)	499,722
General funds	38,720	304,726	(331,813)	18,443	30,076
	<u>582,425</u>	<u>304,726</u>	<u>(357,191)</u>	<u>(162)</u>	<u>529,798</u>
Restricted funds	17,639	86,943	(84,174)	162	20,570
	<u>600,064</u>	<u>391,669</u>	<u>(441,365)</u>	<u>-</u>	<u>550,368</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	3,344	3,344	394
Current assets	20,570	548,219	568,789	627,293
Creditors due within one year	-	(19,043)	(19,043)	(19,873)
Creditors due in more than one year	-	(2,722)	(2,722)	(7,750)
	<u>20,570</u>	<u>529,798</u>	<u>550,368</u>	<u>600,064</u>

19. OPERATING LEASE COMMITMENTS

At 30 June 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Between 2 and 5 years	<u>6,300</u>	<u>6,300</u>

20. CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party of the charity.