



Annual Report and Financial Statements
For The Year Ended 31 March 2020

Edinburgh and Lothian Trust Fund SCIO: SC049138

Edinburgh and Lothian Trust Fund: SC031561

EDINBURGH AND LOTHIAN TRUST FUND SCIO

Annual Report and Financial Statements

For the year ended 31 March 2020

| <u>Contents</u> | <u>Page</u> |
|--|-------------|
| Trustees' Report | 1 to 5 |
| Auditor's Report to Trustees | 6 to 7 |
| Statement of Financial Activities (incorporating Income & Expenditure Account) | 8 |
| Balance Sheet | 9 |
| Statement of Cash Flows | 10 |
| Notes to the Financial Statements | 11 to 21 |

EDINBURGH AND LOTHIAN TRUST FUND SCIO

REPORT of the TRUSTEES

For the Year Ended 31 March 2020

The Trustees are pleased to present their annual report and financial statements of the charity for the year ended 31 March 2020.

The financial statements comply with the Charities and Trustees Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended), the Constitution as approved by OSCR on 18 March 2019 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) second edition October 2019 - effective 1 January 2019.

About Edinburgh and Lothian Trust Fund SCIO (ELTF)

ELTF's funds are restricted to beneficiaries in the City of Edinburgh and the Lothians. There is an emphasis on awards to children, young people and families. The Trustees continue to disburse funds to individuals in need and to voluntary organisations working in the area of social welfare. Grants are made in accordance with the awards criteria that are reviewed and updated on a regular basis by the Trustees.

The main objectives of the Trust are to provide financial support in the City of Edinburgh and the Lothians :

- For the prevention or relief of poverty.
- To assist individuals or groups of individuals who by reason of health, physical or mental disability or otherwise are in necessitous circumstances.
- To assist voluntary organisations with similar objectives to those of the Trust.

To achieve these objectives, ELTF operates several funding streams, described below.

General Fund

Grants to Individuals

Applications for financial assistance to individuals in need are accepted from a post holder in a local statutory body or voluntary sector organisation. Only one award on behalf of an individual can be made in a 12 month period and is restricted to £200.

Grants to Organisations

Applications for financial assistance may be made by small registered charities in Edinburgh and the Lothians with a turnover of less than £200,000, subject to additional criteria published on the Trust's website. Grants awarded to organisations are generally for one year but, exceptionally, may be for up to three years. The Trustees will provide grants of up to £2,000 annually to assist with volunteer recruitment, training and expenses, equipment and publicity but excluding salaries, property costs and other specified activities.

Edinburgh Fire Fund

The purpose of the Edinburgh Fire Fund is to relieve suffering caused through serious injury or loss of possessions as a result of a fire in the applicant's home. Individuals in need who are resident in Edinburgh and meet the application criteria may apply for a grant from the Fund.

Other Funds Managed by ELTF

Over the years we have built a strong reputation in the city thanks to our ability to administer and organise the payment of grants in the most efficient way possible. This has led to other organisations asking us to distribute grants on their behalf. We distribute grants on behalf of the following organisations: Ponton House Trust (assistance for young people in need) and the Edinburgh Police Fund for Children (EPFC) (assistance for the purchase of shoes and warm jackets for school).

EDINBURGH AND LOTHIAN TRUST FUND SCIO

REPORT of the TRUSTEES (Continued)

For the Year Ended 31 March 2020

ACHIEVEMENTS AND PERFORMANCE

Grants to Individuals

Grants paid to individuals are made on recommendations from statutory bodies and other voluntary agencies in Edinburgh and the Lothians. In this financial year, disbursements from the General Fund were 881 grants totalling £119,147 to individuals (2019: 979 grants totalling £178,900). From the Edinburgh Fire Fund, we disbursed 2 grants totalling £2,885 (2019: 10 grants totalling £9,942).

On behalf of Ponton House Trust we distributed a further 125 grants totalling £13,640 (2019: 112 grants totalling £8,700). On behalf of EPFC we distributed 187 grants totalling £16,590 (2019: 192 grants totalling £15,005).

In summary 1,195 grants paid to individuals in Edinburgh and the Lothians were provided amounting to £152,262 (2019: 1,293 grants to individuals totalling £212,547). The actual number of beneficiaries is far higher as many of the grants paid to individuals benefit more than one family member.

Grants to Voluntary Organisations

Grants awarded to voluntary organisations are made in accordance with criteria set out by the Trustees. In this financial year 17 grants totalling £23,547 were paid to voluntary organisations in Edinburgh and the Lothians (2019: 16 grants totalling £23,505). Once again this year's total includes an amount of £200 that was paid to Volunteer Edinburgh, to enable them to make a grant award for Good Citizenship, funded by the Sir William Y Darling Bequest. A grant of £2,000 was paid to EVOC to enable them to provide training grants to small organisations with a turnover of less than £200,000 and which meet the criteria for applications made directly to the Trust. In addition, in response to the financial impact on households of COVID-19, the Trustees made a donation of £1,500, to each of Changeworks and the Edinburgh City Mission to be used to assist families in food and fuel poverty.

Details of all grant payments are shown in a table included in Note 10 to the Accounts, on pages 16 and 17.

FINANCIAL REVIEW

ELTF is reliant on the income from investments which are governed by our investment policy outlined below. Income from investments for the year totalled £214,317 (2019: £186,274) out of total incoming resources of £255,612 (2019: £216,915).

Total resources expended in the year were £274,233 (2019: £329,901). Resources expended on charitable activities in the year were £234,457 (2019: £292,822). Of this, grants paid amounted to £175,809 (2019: £236,052); employment and support costs totalled £55,277 (2019: £53,360) and a further £3,371 was spent on governance costs (2019: £3,210). Investment management costs were £39,776 (2019: £37,279).

For the year to 31 March 2020 our net deficit after net losses on investments was £742,925 (2019: net surplus of £294,571).

The value of the Trust's investment portfolio decreased to £6,057,667 (2019: £6,687,146).

Investment Policy

ELTF use Brooks Macdonald (BM) to manage their portfolio on a discretionary basis.

The objective for the portfolio is to achieve a balance between income and growth subject to a medium/high degree of risk. The ethical investment policy specifies that investment in companies known to be directly involved with tobacco or weapons are excluded. The relevant targets for the portfolio were met during the year and we continue to receive quarterly reports on the Fund performance and to meet BM at least every three months to review performance. The investment policy is reviewed at least annually.

EDINBURGH AND LOTHIAN TRUST FUND SCIO

REPORT of the TRUSTEES (Continued)

For the Year Ended 31 March 2020

Reserves Policy

Grants are paid out of investment and other income after deduction of administrative expenses. Any shortfall in funds for grant making can be met from unrestricted funds at the discretion of the Trustees.

Total funds at the year-end are £6,139,095 (2019: £6,882,020) of which £1,486,317 (2019: £1,622,140) are restricted funds and £4,652,778 (2019: £5,259,880) are unrestricted funds.

Details of reserves held under each fund are shown in Note 17 on page 19.

Plans for Future Periods

We will continue to monitor how the portfolio is managed on a discretionary basis and liaise closely with our Investment Managers with regard to our income requirements. We will also continue to review annually our grants criteria and priorities.

We will continue to identify opportunities to publicise the grant funding available through ELTF and to work collaboratively with other relevant organisations.

We will be undertaking a review of our income generation and developing a fundraising strategy.

We will continue to monitor closely the impact of COVID -19 on the performance of our investment portfolio and to ensure that we balance expected increased demand for grants with reduced income. We will also continue to seek opportunities to increase our income and our grant making by applying for funding available to distribute to families and individuals in need. After the end of the financial year, we successfully applied to the Scottish Government Wellbeing Fund for funding to distribute to households in food and fuel poverty.

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|-------------------|--|
| Trustees | Joan Fraser- Chair - Independent Trustee Tom Bibby - Treasurer - Independent Trustee Beverley Klein - Independent Trustee Peter Raistrick - Independent Trustee Rhona Hunter - EVOC nominated Trustee Joan Brear - Independent Trustee John Hinton- EVOC nominated Trustee – Appointed February 2020 |
| Officers | Ella Simpson - Chief Executive, EVOC Janette Scappaticcio - Trust Administrator Alistair Rogers – Interim Trust Administrator (joint) Julie Anne Hill – Interim Trust Administrator (joint) and EPFC Administrator |
| Auditor | Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL |
| Solicitors | Lindsays Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE |

EDINBURGH AND LOTHIAN TRUST FUND SCIO

REPORT of the TRUSTEES (Continued)

For the Year Ended 31 March 2020

| | |
|----------------------------|---|
| Investment Managers | Brooks Macdonald Hobart House 80 Hanover Street Edinburgh EH2 1EL |
| Bankers | The Royal Bank of Scotland Edinburgh West End Office 142-144 Princes Street Edinburgh EH2 4EQ |
| Principal Office | 525 Ferry Road Edinburgh EH5 2FF |

STRUCTURE GOVERNANCE & MANAGEMENT

ELTF (formerly known as Edinburgh Voluntary Organisations' Trust (EVOT)) was established in 2001 to manage and administer a number of trusts which were previously managed by EVOC. ELTF became a SCIO with effect from 18 March 2019 and operates under the rules of its Constitution approved by OSCR on that date. The Trustees of ELTF, who are appointed under the terms of the Constitution, are responsible for the management of the Trust.

Appointment of Trustees

The constitution states that there should be no fewer than five nor more than nine Trustees. Up to four of the Trustees may be appointed from the EVOC Board provided that the majority of Trustees are independent of EVOC in accordance with ELTF's constitution. Trustees may be appointed for a term of up to four years from their initial appointment. Trustees may agree to extend a Trustee's appointment for a second term of up to four years. A third and final term may be permitted provided that the total term of office does not exceed eight years.

New Trustees are provided with a copy of the Trust Deeds and an Induction Pack and are briefed on their duties by the Chair. From time to time Trustees receive updated guidance on their duties and responsibilities. Opportunities to attend training for Trustees are also recommended.

As at 31 March 2020, two Trustees are board members of EVOC and there are five independent Trustees.

Meetings of Trustees

The Trustees meet on a quarterly basis to review the investment performance and policy, together with deciding on grants to be made in accordance with the terms of the Trusts. In addition, two of the Trustees review and scrutinise incoming grant applications from organisations prior to consideration at a meeting of the Trustees. The Trust Administrator has delegated authority up to £200 to make grants to individuals (other than from the Edinburgh Fire Fund). The day to day administration of the Trust is undertaken by the Trust Administrator, who is line managed by the Chief Executive of EVOC.

Pay Policy for Senior Staff

ELTF does not employ staff directly and instead EVOC charges staff costs to ELTF, in respect of the Trust Administrator, based on the time spent on the Trust's activities. A re-charge supplement for overhead costs is also charged. These arrangements are set out in an MOU between ELTF and EVOC which is reviewed annually.

Risk Management

The Trustees maintain a Risk Register for ELTF which is reviewed annually. High scoring risks are reviewed six-monthly. The Trustees consider that the biggest financial risk facing ELTF is the variability of investment returns that are required to pay for its grant programme. This risk is mitigated by retaining expert investment managers and having a diversified investment portfolio. The Trustees manage the endowment on a total return basis, which helps to stabilise the amount of resources available for grant making.

EDINBURGH AND LOTHIAN TRUST FUND SCIO

REPORT of the TRUSTEES (Continued)

For the Year Ended 31 March 2020

Statement of Trustees' Responsibilities

The Trustees 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 Standards).

The law applicable to charities in Scotland 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 charity and of the incoming resources and application of resources of the charity 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 (2015 FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

This report has been prepared in accordance with the Statement of Recommended Practice- Accounting and Reporting by Charities (SORP) FRS 102, second edition October 2019 effective 1 January 2019, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

By order of the Trustees

T Bibby

Treasurer

11th August 2020



For the year ended 31 March 2020

Opinion

We have audited the financial statements of Edinburgh and Lothian Trust Fund SCIO for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT to the TRUSTEES of
EDINBURGH AND LOTHIAN TRUST FUND SCIO (continued)**

For the year ended 31 March 2020

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 5 the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charity Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street, Edinburgh, EH3 6NL

15th October 2020

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

EDINBURGH AND LOTHIAN TRUST FUND SCIO

STATEMENT of FINANCIAL ACTIVITIES (INCORPORATING INCOME & EXPENDITURE ACCOUNT)

For the Year Ended 31 March 2020

| | Note | Unrestricted Fund | Restricted Funds | Total 2020 | Total 2019 |
|--------------------------------------|------|----------------------|---------------------|------------------|---------------|
| Income | | | | | |
| Other trading activities | 4 | 979 | 9,676 | 10,655 | 9,941 |
| Income from investments | 5 | 166,460 | 47,857 | 214,317 | 186,274 |
| Income from Charitable activities | 6 | - | 30,640 | 30,640 | 20,700 |
| | | ----- | ----- | ----- | ----- |
| Total income | | 167,439 | 88,173 | 255,612 | 216,915 |
| | | ----- | ----- | ----- | ----- |
| Expenditure | | | | | |
| Expenditure on Raising funds | 7 | 30,896 | 8,880 | 39,776 | 37,279 |
| Expenditure on Charitable activities | 8 | 181,062 | 53,395 | 234,457 | 292,622 |
| | | ----- | ----- | ----- | ----- |
| Total expenditure | | 211,958 | 62,275 | 274,233 | 329,901 |
| | | ----- | ----- | ----- | ----- |
| Net (losses)/gains on investments | 14 | (562,583) | (161,721) | (724,304) | 407,557 |
| | | ----- | ----- | ----- | ----- |
| Net movement in funds | | (607,102) | (135,823) | (742,925) | 294,571 |
| | | ----- | ----- | ----- | ----- |
| Total funds brought forward | | 5,259,880 | 1,622,140 | 6,882,020 | 6,587,449 |
| | | ----- | ----- | ----- | ----- |
| Total funds carried forward | | 4,652,778 | 1,486,317 | 6,139,095 | 6,882,020 |
| | | ===== | ===== | ===== | ===== |

The notes on pages 11 to 21 form part of these financial statements

EDINBURGH AND LOTHIAN TRUST FUND SCIO

BALANCE SHEET

As at 31 March 2020

| | Note | 2020 £ | 2019 £ |
|---------------------------------------|------|------------------|-----------|
| Fixed assets | | | |
| Investments | 14 | 6,057,667 | 6,687,146 |
| Total fixed assets | | 6,057,667 | 6,687,146 |
| Current assets | | | |
| Debtors | 15 | 78 | - |
| Cash at bank and in hand | | 105,018 | 206,313 |
| Total current assets | | 105,096 | 206,313 |
| Liabilities: | | | |
| Creditors falling due within one year | 16 | 23,668 | 11,439 |
| Net current assets | | 81,428 | 194,874 |
| Net assets | | 6,139,095 | 6,882,020 |
| The funds of the charity: | | | |
| Unrestricted funds | 17 | 4,652,778 | 5,259,880 |
| Restricted funds | 17 | 1,486,317 | 1,622,140 |
| Total charity funds | | 6,139,095 | 6,882,020 |

Approved by the Trustees and signed on their behalf:

T Bibby

Treasurer

11th August 2020

The notes on pages 11 to 21 form part of these financial statements

EDINBURGH AND LOTHIAN TRUST FUND SCIO

STATEMENT of CASH FLOWS

For The Year Ended 31 March 2020

| | Notes | 2020 £ | 2020 £ | 2019 £ | 2019 £ |
|---|------------------|-----------|-----------|-----------------------|-----------|
| Net cash used in operating activities | <i>see below</i> | | (220,787) | | (307,717) |
| Cash flows from investing activities | | | | | |
| Income from investments | | 214,317 | | 186,274 | |
| Proceeds from sale of investments | | 886,640 | | 1,142,476 | |
| Purchase of investments | | (981,465) | | (1,049,137) | |
| | | ----- | | ----- | |
| Net cash generated from investing activities | | | 119,242 | | 279,613 |
| | | | ----- | | ----- |
| Change in cash and cash equivalents in the year | | | (101,295) | | (28,104) |
| | | | ----- | | ----- |
| Cash and cash equivalents brought forward | | | 206,313 | | 234,417 |
| | | | ----- | | ----- |
| Cash and cash equivalents carried forward | | | 105,018 | | 206,313 |
| | | | ===== | | ===== |
| Reconciliation of net expenditure to cash flow from operating activities | | | | | |
| Net (expenditure)/income for the year | | | (742,925) | | 294,571 |
| Adjustments for: | | | | | |
| Deduct income shown in investing activities | | | (214,317) | | (186,274) |
| Net (gains)/losses on investments | | | 724,304 | | (407,557) |
| Decrease/(increase) in debtors | | | (78) | | 2,444 |
| Increase(decrease) in creditors | | | 12,229 | | (10,901) |
| | | | ----- | | ----- |
| Net cash (used in) operating activities | | | (220,787) | | (307,717) |
| | | | ===== | | ===== |
| Analysis of changes in Net Debt | | | | Cash flows | |
| | | | | 2019 | 2020 |
| | | | | £ | £ |
| Cash and Cash Equivalents | | | 206,313 | (101,295) | 105,018 |
| | | | ===== | ===== | ===== |

NOTES to the FINANCIAL STATEMENTS

For the Year Ending 31 March 2020

1. Accounting policies

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 1 January 2019) - (Charities SORP (FRS 102)).

Public Benefit

ELTF meets the definition of a public benefit entity under FRS 102.

Preparation of the accounts on a going concern basis

The Trust has cash resources with no requirement for external borrowing. Investment policy and disbursements are at the discretion of the Trustees, who are also advised by Investment Managers on a quarterly basis. The Trustees have assessed the charity's ability to continue as a going concern and have reasonable expectation that the charity had adequate resources to continue to operate for the foreseeable future. On this basis, the charity is a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Investment income

Investment income is included in the Statement of Financial Activities in the year in which it is receivable. Income from dividends is recognised at the date it is declared. Investment income is split between funds in proportion to the individual funds' share of the overall investment portfolio.

Interest receivable

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

Fund structure

The ELTF General Fund is an endowment fund formed from donations and legacies. The fund is an unrestricted fund and is expendable on the principal objectives of the Trust at the discretion of the Trustees. Following a review, Trustees have decided to merge the separate endowment and revenue funds to simplify the presentation of the accounts. The prior year comparison has been amended to reflect this change

The Edinburgh Fire Fund is an endowment fund. It is a restricted fund which pays out grants to individuals living in Edinburgh whose home has been affected by fire and who meet the criteria set out.

Other Funds. ELTF receives monies from the Ponton House Trust and the Edinburgh Police Fund for Children which it disburses as grants on their behalf. These funds are restricted funds which can only be disbursed under the criteria laid down by the donor Trusts. Further details are disclosed in Note 17.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Expenditure on raising funds includes investment management costs, which have been split in proportion to the individual funds' share of the overall investment portfolio.
- Expenditure on charitable activities includes all costs related to paying grants to individuals and organisations, as well as employment costs, support costs and governance costs.

Irrecoverable VAT is charged at cost against the activity for which the expenditure was incurred.

1. Accounting policies (continued)

Allocation of employment costs, support costs and governance costs

Employment costs, support costs and governance costs are allocated to unrestricted funds and restricted funds in proportion to these funds' share of the investment portfolio.

Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer: this is accrued once the recipient has been notified of the grant award. The notification gives the recipient reasonable expectation that they will receive the grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable. The charity rarely makes multi-year grants, but should these occur, a provision for the grant is recognised at its present value where: settlement is due over more than one year from the date of the award; there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payment(s); settlement is probable and the effect of discounting is material. The discount rate used is the average rate of return on bank deposits in the year in which the award is made. The discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the charity.

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 Trust 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.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair values at the year end and their carrying value.

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.

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.

Creditors

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 an obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing any trade discounts due.

2. Legal status of charity

ELTF was formerly an unincorporated charitable trust. On 18th March 2019 it was registered as a SCIO.

EDINBURGH AND LOTHIAN TRUST FUND SCIO

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ending 31 March 2020

3. Related party transactions

As at 31 March 2020 two of the seven Trustees of ELTF are directors of EVOC, while the other five Trustees were appointed by the Trustees of ELTF.

ELTF's registered office is at 525 Ferry Road, Edinburgh, EH5 2FF.

ELTF pay EVOC an administration fee to operate the activities of ELTF which amounted to £53,612 (2019: £51,209). At 31 March 2020 EVOC was due £20,256 from ELTF (2019: £8,229).

4. Income from other trading activities

| | Un- restricted Fund 2020 £ | Restricted Funds 2020 £ | Total 2020 £ | Un- restricted Fund 2019 £ | Restricted Funds 2019 £ | Total 2019 £ |
|------------------------------------|--|----------------------------------|--------------------|--|----------------------------------|--------------------|
| Ponton House Trust | - | 1,360 | 1,360 | - | 900 | 900 |
| Edinburgh Police Fund for Children | - | 8,034 | 8,034 | - | 7,859 | 7,859 |
| Other Income | 979 | 282 | 1,261 | 918 | 264 | 1,182 |
| | ----- 979 | ----- 9,676 | ----- 10,655 | ----- 918 | ----- 9,023 | ----- 9,941 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

5. Income from investments

| | Un- restricted Fund 2020 £ | Restricted Funds 2020 £ | Total 2020 £ | Un- restricted Fund 2019 £ | Restricted Funds 2019 £ | Total 2019 £ |
|-------------------|--|----------------------------------|--------------------|--|----------------------------------|--------------------|
| Bank interest | 195 | 56 | 251 | 78 | 22 | 100 |
| Investment income | 166,265 | 47,801 | 214,066 | 144,601 | 41,573 | 186,174 |
| | ----- 166,460 | ----- 47,857 | ----- 214,317 | ----- 144,679 | ----- 41,595 | ----- 186,274 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

EDINBURGH AND LOTHIAN TRUST FUND SCIO

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ending 31 March 2020

6. Income from Charitable activities

| | Un- restricted Fund 2020 £ | Restricted Funds 2020 £ | Total 2020 £ | Un- restricted Funds 2019 £ | Restricted Funds 2019 £ | Total 2019 £ |
|------------------------------------|---|--|-----------------------------|--|--|-----------------------------|
| Ponton House Trust | - | 13,640 | 13,640 | - | 8,700 | 8,700 |
| Edinburgh Police Fund for Children | - | 17,000 | 17,000 | - | 12,000 | 12,000 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | - | 30,640 | 30,640 | - | 20,700 | 20,700 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

7. Expenditure on Raising funds

| | Un restricted Fund 2020 £ | Restricted Funds 2020 £ | Total 2020 £ | Un restricted Funds 2019 £ | Restricted Funds 2019 £ | Un restricted Total 2019 £ |
|-----------------------------|--|--|-----------------------------|---|--|---|
| Investment Management Costs | 30,896 | 8,880 | 39,776 | 28,956 | 8,323 | 37,279 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

EDINBURGH AND LoTHIAN TRUST FUND SCIO

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ending 31 March 2020

8. Expenditure on Charitable activities

| | Notes | Un-restricted Fund 2020 £ | Restricted Funds 2020 £ | Total 2020 £ | Un-restricted Funds 2019 £ | Restricted Funds 2019 £ | Total 2019 £ |
|--|-------|------------------------------|----------------------------|-----------------|-------------------------------|----------------------------|-----------------|
| ELTF General Fund - grants to individuals | 10 | 119,147 | - | 119,147 | 178,900 | - | 178,900 |
| Ponton House Trust - grants to individuals | 10 | - | 13,640 | 13,640 | - | 8,700 | 8,700 |
| Edinburgh Fire Fund - grants to individuals | 10 | - | 2,885 | 2,885 | - | 9,942 | 9,942 |
| Edinburgh Police Fund for Children - grants to individuals | 10 | - | 16,590 | 16,590 | - | 15,005 | 15,005 |
| ELTF General Fund -grants to organisations | 10 | 23,547 | - | 23,547 | 23,505 | - | 23,505 |
| Staff Costs | 12 | 19,685 | 10,850 | 30,535 | 18,524 | 10,260 | 28,784 |
| Support costs | | 16,065 | 8,677 | 24,742 | 19,088 | 5,488 | 24,576 |
| Governance costs | 9 | 2,618 | 753 | 3,371 | 2,493 | 717 | 3,210 |
| Total | | 181,062 | 53,395 | 234,457 | 242,510 | 50,112 | 292,622 |

9. Analysis of governance costs

| | | | | | | | |
|--------------|--|--------------|------------|--------------|--------------|------------|--------------|
| Audit fee | | 2,618 | 753 | 3,371 | 2,493 | 717 | 3,210 |
| Total | | 2,618 | 753 | 3,371 | 2,493 | 717 | 3,210 |

EDINBURGH AND LoTHIAN TRUST FUND SCIO

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ending 31 March 2020

10. Analysis of grants

ELTF undertook no direct charitable activity but awarded grants to individuals and voluntary organisations. Grants to individuals are made on recommendations from representatives of statutory bodies and other voluntary agencies, and priority is given to families and individuals in need. Grants to individuals and organisations are made under the criteria set out by the Trustees.

During the financial year ended 31 March 2020 the Trust made disbursements as follows:

| | No. | 2020 £ | No. | 2019 £ |
|---|--------------|-------------------|--------------|-------------------|
| Grants paid to organisations | 17 | 23,547 | 16 | 23,505 |
| Grants paid to individuals - from ELTF General Fund | 881 | 119,147 | 979 | 178,900 |
| Grants paid to individuals - from Edinburgh Fire Fund | 2 | 2,885 | 10 | 9,942 |
| Grants paid on behalf of Ponton House Trust | 125 | 13,640 | 112 | 8,700 |
| Grants paid on behalf of Edinburgh Police Fund for Children | 187 | 16,590 | 192 | 15,005 |
| | ----- | ----- | ----- | ----- |
| Total disbursements | 1,212 | 175,809 | 1,309 | 236,052 |
| | ===== | ===== | ===== | ===== |

| Grants equal to or exceeding £1,000 to organisations | 2020 £ | 2019 £ |
|---|-------------------|-------------------|
| Edinburgh Voluntary Organisations' Council - Training grants | 2,000 | 2,000 |
| The Green Team Edinburgh and Lothians | 2,000 | 2,000 |
| Signpost | 2,000 | 2,000 |
| Fair Limited | 2,000 | - |
| Rosebery Centre | 1,957 | - |
| Float Trust | 1,700 | - |
| Changeworks | 1,500 | - |
| Edinburgh City Mission | 1,500 | - |
| SMILE Counselling | 1,500 | - |
| B Healthy Together | 1,500 | - |
| Lothian Veterans Centre | 1,000 | - |
| Polish Family Support | 1,000 | - |
| Edinburgh School Uniform Bank | 1,000 | - |
| Bridge Community Project | 1,000 | - |
| Street Fit Scotland | - | 2,000 |
| Community Foundation Planetary Healing | - | 2,000 |
| U-Evolve | - | 1,980 |
| About Youth | - | 1,622 |
| Age Concern Edinburgh Information Technology (ACE IT) | - | 1,553 |
| Mayfield & Easthouses Development Trust | - | 1,500 |
| Smart Works Edinburgh | - | 1,500 |
| Tollcross Community Action Network (TCAN) | - | 1,350 |
| Pregnancy and Parents Centre | - | 1,000 |
| People Know How | - | 1,000 |
| New Beginnings Club | - | 1,000 |
| | ----- | ----- |
| | 21,657 | 22,505 |
| Grants below £1,000 | | |
| Friends of LEAP | 990 | - |
| Drylaw Rainbow Club Day Centre | 700 | - |
| Volunteer Centre Edinburgh - "Good Citizen of the Year Award" | 200 | 200 |
| Rosebery Centre | - | 800 |
| | ----- | ----- |
| Total | 23,547 | 23,505 |
| | ===== | ===== |

EDINBURGH AND LOTHIAN TRUST FUND SCIO

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ending 31 March 2020

10. Analysis of grants (continued)

The Miss A Beveridge Trust was amalgamated with EVOT in December 2007. In line with the Court ruling the proportion of the amalgamated funds that originate from Miss A Beveridge Trust should be allocated for the purposes outlined in the original Trust deed of the Miss A Beveridge Trust - i.e. for the social welfare of children and families in Edinburgh. At time of transfer the Miss A Beveridge Trust asset were 36.52% of the total portfolio. The disbursements from the ELTF amalgamated portfolio in 2020 are analysed as follows:

| ELTF General Fund | | | | |
|---|-------------|-------------|-------------|-------------|
| Grants to individuals | 2020 | 2020 | 2019 | 2019 |
| | % | £ | % | £ |
| Children and young people | 45 | 53,616 | 55 | 98,753 |
| People over 25 | 55 | 65,531 | 45 | 80,147 |
| | | ----- | | ----- |
| Total ELTF grants to individuals | | 119,147 | | 178,900 |
| | | ===== | | ===== |
| | | | | |
| Grants to organisations by main activity | 2020 | 2020 | 2019 | 2019 |
| | % | £ | % | £ |
| Families and young people | 32 | 7,500 | 28 | 6,602 |
| Older people | 11 | 2,657 | 10 | 2,353 |
| Health and wellbeing | 11 | 2,490 | 26 | 6,000 |
| Disability | 8 | 2,000 | 4 | 1,000 |
| Communities | 29 | 6,700 | 25 | 5,850 |
| Training and other | 9 | 2,200 | 7 | 1,700 |
| | | ----- | | ----- |
| Total ELTF grants to organisations | 100 | 23,547 | 100 | 23,505 |
| | | ----- | | ----- |
| Total ELTF grants disbursed | | 142,694 | | 202,405 |
| | | ===== | | ===== |

On an overall basis, ELTF has allocated £61,116 (2019: £105,355) out of total grants disbursed of £142,694 (2019: £202,405) to individuals and organisations for the social welfare of children and young people in Edinburgh in this financial year. This represents 42.8 % of ELTF's total disbursements (2019: 52%) This is in excess of the requirement of 36.52% laid out in Miss A Beveridge Trust deed.

11. Trustees' remuneration

No Trustee received any remuneration in respect of work undertaken (2019: nil).

One Trustee received reimbursement of travel expenses of £41 (2019: £102).

EDINBURGH AND LOTHIAN TRUST FUND SCIO

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ending 31 March 2020

| | Un- restricted Funds 2020 £ | Restricted Funds 2020 £ | Total 2020 £ | Un- restricted Funds 2019 £ | Restricted Funds 2019 £ | Total 2019 £ |
|---|---|----------------------------------|--------------------|---|----------------------------------|--------------------|
| 12. Staff Costs | | | | | | |
| Gross wages and salaries | 17,081 | 9,415 | 26,496 | 16,087 | 8,910 | 24,997 |
| Employer's national insurance contributions | 1,588 | 875 | 2,463 | 1,472 | 815 | 2,287 |
| Employer's pension contributions | 1,016 | 560 | 1,576 | 965 | 535 | 1,500 |
| Total | 19,685 | 10,850 | 30,535 | 18,524 | 10,260 | 28,784 |

One member of staff (0.8 FTE) was employed by EVOC as ELTF Administrator in the year to 31 March 2020 (2019: 1). With effect from May 2019 one member of staff (0.17 FTE) was employed by EVOC as EPFC Administrator

Included within support costs in note 8 is a management fee of £6,864 (2018: £6,588) for administrative staff costs recharged from EVOC.

The key management personnel of the charity are the Trustees only.

13. Pension costs

EVOC employees are entitled to join a defined contribution scheme. The assets of this scheme are held separately from those of EVOC in independently administered funds. The pension charge represents contributions payable by ELTF amounting to £1,576 (2019: £1,500).

14. Fixed asset investments

| | Restricted Funds 2020 £ | Un restricted Fund 2020 £ | Total 2020 £ | Restricted Funds 2019 £ | Un restricted Fund 2019 £ | Total 2019 £ |
|--|----------------------------------|---------------------------------------|--------------------|----------------------------------|---------------------------------------|--------------------|
| Market value brought forward | 1,493,091 | 5,194,055 | 6,687,146 | 1,422,933 | 4,949,995 | 6,372,928 |
| Additions to investments at cost | 219,140 | 762,325 | 981,465 | 234,266 | 814,871 | 1,049,137 |
| Proceeds on disposal of investments | (197,967) | (688,673) | (886,640) | (255,090) | (887,386) | (1,142,476) |
| Net (decrease)/increase in market value on revaluation | (176,233) | (613,066) | (789,299) | 79,514 | 276,682 | 356,196 |
| Net realised gain/(loss) on disposal of investments | 14,512 | 50,483 | 64,995 | 11,468 | 39,893 | 51,361 |
| Market value at end of year | 1,352,543 | 4,705,124 | 6,057,667 | 1,493,091 | 5,194,055 | 6,687,146 |

| Analysis of investments | Restricted Funds 2020 £ | Un restricted Funds 2020 £ | Total 2020 £ | Restricted Funds 2019 £ | Un restricted Funds 2019 £ | Total 2019 £ |
|-------------------------|----------------------------------|--|--------------------|----------------------------------|--|--------------------|
| UK investments | 610,281 | 2,122,999 | 2,733,280 | 678,933 | 2,361,821 | 3,040,754 |
| Non-UK investments | 742,262 | 2,582,125 | 3,324,387 | 814,158 | 2,832,234 | 3,646,392 |
| Total | 1,352,543 | 4,705,124 | 6,057,667 | 1,493,091 | 5,194,055 | 6,687,146 |

EDINBURGH AND LOTHIAN TRUST FUND SCIO

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ending 31 March 2020

14. Fixed asset investments

At 31 March 2020, the only investment whose value exceeded 5% of the total portfolio was Primary Health Properties at 5.30% (2019 none)

All investments are carried at their fair value. Investments in equities and fixed securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to their market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost.

The main risk to the Trust from financial instruments lies in the uncertain investment markets caused by the extraordinary monetary policy of negative interest rates in many parts of the world, as central banks attempt to reinvigorate their economies.

The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining professional advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

| 15. Debtors and prepayments | 2020 | 2019 |
|---|---------------|---------------|
| | £ | £ |
| Other debtors | 78 | - |
| | ===== | ===== |
| 16. Creditors: amounts falling due within one year | 2020 | 2019 |
| | £ | £ |
| Due to EVOC | 20,256 | 8,229 |
| Accruals | 3,412 | 3,210 |
| Total | 23,668 | 11,439 |
| | ===== | ===== |

17. Analysis of charitable funds

| | Opening balance at 1 April 2019 £ | Incoming resources £ | Outgoing resources £ | (Loss)on Invest- ments £ | Transfers between funds £ | Closing balance at 31 March 2020 £ |
|---------------------------------------|---|----------------------------|----------------------------|-----------------------------------|------------------------------------|--|
| Unrestricted fund: | | | | | | |
| Endowment fund | | | | | | |
| ELTF General Fund | 5,259,880 | 167,439 | (211,958) | (562,583) | - | 4,652,778 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Restricted funds: | | | | | | |
| Endowment fund | | | | | | |
| Edinburgh Fire Fund | 1,625,822 | 48,139 | (22,651) | (161,721) | - | 1,489,589 |
| Other Funds | | | | | | |
| Ponton House Trust | - | 15,000 | (15,000) | - | - | - |
| Edinburgh Police Fund for Children | (3,682) | 25,034 | (24,624) | - | - | (3,272) |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 1,622,140 | 88,173 | (62,275) | (161,721) | - | 1,486,317 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total funds | 6,882,020 | 255,612 | (274,233) | (724,304) | - | 6,139,095 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

EDINBURGH AND LoTHIAN TRUST FUND SCIO

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ending 31 March 2020

17. Analysis of charitable funds (continued)

| Prior Year | Opening balance at 1 April 2018 £ | Incoming resources £ | Outgoing resources £ | Gain on investments £ | Transfers between funds £ | Closing balance at 31 March 2019 £ |
|---------------------------------------|---|----------------------------|----------------------------|--------------------------------|------------------------------------|--|
| Unrestricted fund | | | | | | |
| Endowment fund | | | | | | |
| ELTF General Fund | 5,053,951 | 145,597 | (271,466) | 316,575 | 15,223 | 5,259,880 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Restricted funds | | | | | | |
| Ponton House Trust | - | 9,600 | (9,600) | - | - | - |
| Edinburgh Fire Fund | 1,534,234 | 41,859 | (26,030) | 90,982 | (15,223) | 1,625,822 |
| Edinburgh Police Fund for Children | (736) | 19,859 | (22,805) | - | - | (3,682) |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 1,533,498 | 71,318 | (58,435) | 90,982 | (15,223) | 1,622,140 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total funds | 6,587,449 | 216,915 | (329,901) | 407,557 | - | 6,882,020 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

Endowment fund

The endowment fund represents investment of donations and legacies received by ELTF. This fund is expendable on the principal objectives of the Trust.

A transfer has been made out of the restricted fund to the endowment fund to reallocate previous apportionment of investment manager fees to the restricted fund.

18. Analysis of net assets between funds

| | Investments £ | Net Current assets £ | Total 2020 £ | Total 2019 £ |
|-------------------|------------------|-------------------------------|--------------------|--------------------|
| Restricted funds | 1,352,543 | 133,774 | 1,486,317 | 1,622,140 |
| Unrestricted fund | 4,705,124 | (52,346) | 4,652,778 | 5,259,880 |
| | ----- | ----- | ----- | ----- |
| Total | 6,057,667 | 81,428 | 6,139,095 | 6,882,020 |
| | ===== | ===== | ===== | ===== |
| Prior Year | | Net current assets £ | Total 2019 £ | |
| | Investments £ | | | |
| Restricted fund | 1,493,091 | 129,049 | 1,622,140 | |
| Unrestricted fund | 5,194,055 | 65,825 | 5,259,880 | |
| | ----- | ----- | ----- | |
| Total | 6,687,146 | 194,874 | 6,882,020 | |
| | ===== | ===== | ===== | |

EDINBURGH AND LOTHIAN TRUST FUND SCIO

NOTES to the FINANCIAL STATEMENTS (continued)

For the Year Ending 31 March 2020

19. Events after the end of the period

Since the year end the Trust has faced a new challenge in relation to Covid-19. The Trustees are reviewing all aspects of the ongoing needs of the Trust. Whilst there are short term implications to the reduction in investment income and the value of investments, the Trust is well placed to support all activities due to the ongoing positive cash flow and its existing reserves, and as a consequence continues to be a going concern.