

**Inclusion Scotland**

**Report of the Trustees and Financial Statements**

**For the year ended 31 March 2024**

## **Inclusion Scotland**

### **Report of the Trustees and Financial Statements**

**For the year ended 31 March 2024**

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# **Inclusion Scotland**

## **Report of the Trustees**

### **For the year ended 31 March 2024**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to present their report with the financial statements of the charity for the year ended 31 March 2024.

The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition October 2019).

The organisation's registered Head Office address changed on 4 March 2024. Originally at 22-24 Earl Grey Street, Edinburgh EH3 9BN it moved to Mansfield Traquair Centre, Mansfield Place, Edinburgh EH3 6BB. Since the pandemic, staff largely continue to work in a hybrid manner.

Inclusion Scotland is a national membership organisation, led by disabled people (a Disabled People's Organisation - DPO). Its extensive networks span the country. In furtherance of its charitable objects, its mission is to achieve positive changes to policy and practice, so that disabled people are fully included throughout all of Scottish society as equal citizens.

We do this by seeking to influence decision-makers; supporting disabled people to be decision-makers themselves; and developing capacity, awareness and engagement.

There are several key strands to the delivery of our Core Business, namely policy analysis and influencing, membership capacity building, engagement, and knowledge exchange work. We also run time-limited projects. Some of these received ongoing funding and have become an established part of our work, notably those concerning the delivery of internships for disabled people and support for their participation in politics and public life, including to become elected politicians.

It is important to note that for the period covered by this report, the funding year for our work is not aligned with the financial year. Our core funding runs from October to September, whereas the financial year runs from April to March. Our secondary funding runs from July to June. This means that underspends and overspends shown in these audited financial statements for the financial year 2023-2024 cannot be taken to indicate that expenditure is off track. In March 2024, our core funding year was adjusted by the funder to run from April to March to align with the financial year.

#### **Objects, outcomes and activities**

Inclusion Scotland's objects as set out in the section 5 of the Articles of Association are:

To promote the benefit and relieve the needs of persons within Scotland who are disabled and in furtherance thereof the company shall seek:

To support the growth of leadership and governance within the disabled people's movement (**added by Special Resolution, 29 March 2024**).

To assist and support individuals, local, regional and national groups working on disability related issues.

To increase the understanding of the problems of disability and social exclusion through education and to encourage inclusion in its fullest sense between disabled and non-disabled members of the community.

To provide a means of consultation and joint action among voluntary and statutory organisations concerned with the social and economic inclusion of all disabled people.

#### **Outcomes and activities**

Inclusion Scotland's outcomes for the year were themed with reference to the priorities of disabled people. These priorities were established via engagement events, and agreed with our funders, particularly our primary core fund, the Scottish Government's Equality and Human Rights Fund. This fund is managed by the fund manager, Inspiring Scotland.

In each case, a series of activities was identified through which to deliver those outcomes, along with monitoring and evaluation methods that would enable us to measure progress. Our primary grant outcomes and activities, form an overarching framework, with separately funded projects enabling key areas of activity to be further developed.

# Inclusion Scotland

## Report of the Trustees

### For the year ended 31 March 2024

#### Promoting disabled people's active participation

Policy at national and local level will be better informed by disabled people's views, as more disabled people are enabled to fulfil their human right to participation in political and public life, thereby strengthening democracy and promoting our civil and social inclusion.

- Engagement opportunities: We will take – and make - opportunities to bring disabled people and policy makers together at national and local levels and help ensure disabled people's views and interests are represented in policy development. supporting and capacity-building DPOs and disabled people and exploring how to strengthen national/ local connections and our geographical reach
- Strengthening policy work: We will strengthen our policy work through action to ensure it is strategic, integrated, evidence-based and solution-focused.
- Ongoing input to policy: We will take action to ensure that priority areas of policy development take disabled people's views and lived experience into account. Promoting the role of disabled people and DPOs; We will promote the unique status of disabled people and DPOs as set out by the United Nations to policy makers.

#### Improved benefits and access to employment

Disabled people will be better supported to avoid poverty and to get in, get on and stay in employment.

- Devolved social security system: We will contribute disabled people's views and our policy expertise to the shaping and delivery of disabled people's benefits within the Scottish social security system.
- Reserved benefits: We will continue to explore and expose the impact of Westminster Government welfare cuts on disabled people and challenge them whenever we can. We will also identify and draw attention to issues arising from the interface between reserved and devolved benefits.
- Poverty: We will identify factors that account for disabled people's disproportionate likelihood to be living in poverty and promote action to address these.
- Tackling the employment gap: We will seize opportunities for action to remove barriers to disabled people's employment and to influence policy work in this area.

#### Services that support disabled people

Key services are designed and developed that support disabled people to have choice and control over their lives, where they live and the support they need to meet their full potential, as necessary to achieve independent living.

- Poverty and the cost of living crisis: Drive forward action on to promote strategic action to address disabled people's poverty and the impact of the cost of living crisis, as a priority. In particular, we will drive forward action on energy costs to ensure that disabled people using at-home medical and independent living equipment are not adversely impacted by rising energy costs.
- Climate change: Investigate how disabled people are responding to climate change within and beyond their communities and disabling limits to climate adaptation.
- Artificial Intelligence: investigate and promote the impact for disabled people of the use of Artificial Intelligence in public sector decision making.
- Support others leading on accessible transport: We will maintain a watching brief and support the work of leads where we can add value and as our resources permit.

# **Inclusion Scotland**

## **Report of the Trustees**

### **For the year ended 31 March 2024**

#### **Protecting and promoting disabled people's rights and access to justice**

Disabled people's rights, including human rights, will be protected and promoted and access to justice remedies will be opened up.

- Human rights: We will build on the UN Committee's examination of progress on UNCRPD, support the development and implementation of the Scottish Government's delivery plans around UNCRPD rights, spread awareness of human rights, and embed them into policy and practice.
- Human Rights Incorporation: We will ensure that the Scottish Government's legislation on Human Rights Incorporation addresses the rights of disabled people, including rights to accessible justice remedy.
- Negative attitudes and treatment: We will challenge negative attitudes towards, and treatment of disabled people, asserting our rights and the value of what we and our own organisations can contribute.

#### **Developing and strengthening our work and our organisation**

Governance and management: We will continue to strengthen our board and...

**Constitution:** With the approval of the membership we adopted proposed changes to our Articles of Association and align our work with these. From 29 March 2024 we will work to support the growth of leadership and governance within the disabled people's movement.

**Finance and administration:** We will ensure we have in place and implement the right policies and procedures to ensure we have the necessary capacity in place and enable effective, efficient delivery with robust controls.

**Communications, information and stakeholder engagement:** We will work to build on our current communications programme to make it easier for our members and stakeholders to access the information which is relevant to them.

**Premises:** We will seek new opportunities for co-working as we leave our Earl Grey Street Office in 2024.

#### **Charitable activities**

The trustees consider that the overall performance of the organisation during the year has been satisfactory despite the challenges the organisation faced.

An overview of Inclusion Scotland's activities and achievements during this period, for each of the areas of work described above, both funded through our core main grant and the project funding itemised below, is contained in the Impact Report 2023-2024.

#### **Funding**

Inclusion Scotland received the following funding.

#### **Scottish Government Equality and Human Rights Fund**

Since 1 October 2021 we have received a single grant fund for the period from 2021-2024. This grant is administered by fund manager, Inspiring Scotland who operated a funding year from October to September.

There was also a reduction in funding: of £43.8k/year in the first year, and £68.8k/year in the second and third year.

In March 2024, midway through year 3, the funders announced a change to the funding year. Year 3 funding was originally due to complete in September 2024. The fund will now run until March 2025.

## **Inclusion Scotland**

### **Report of the Trustees**

#### **For the year ended 31 March 2024**

##### **Scottish Government Social Care and National Care Service Directorate**

We received two grants from the Scottish Government Social Care Directorate to support the People-led Policy Panel on Social Care Support, and the programme that supports the panel:

The People-led Policy Panel on Social Care Support is a group of people (deaf and disabled people and unpaid carers) who need social care support and who we support to co-produce relevant policy with the Scottish Government and others. This includes co-design of the proposed National Care Service.

The programme is funded to deliver outcomes of recruitment and capacity building of new panel members and specific co-design work related to the National Care Service agreed with the grant provider. We recruited 13 new panel members and supported existing panel members to integrate and train them.

#### **Other funds**

We received one off funding from the Scottish Human Rights Commission to facilitate a meeting of the Scottish Independent Living Coalition to explore the UNCRPD Committee's 2016 Inquiry recommendations and provision an update on the recommendations since then. £2,050.

In addition, we generated a small amount of fee-based income through our employment-related work, primarily through the delivery of training and consultancy, and job promotion. £3,400.

We are very grateful to all our funders. Funds ended in the last financial year.

#### **Financial review**

##### **Reserves policy**

It is the organisation's policy to maintain funds at a level that provides sufficient funds to cover management administration and support costs for a period of three months. We meet the requirements set out in the policy and sought to further reduce the administrative cost burden by relinquishing our office for a cost-effective alternative in January 2024.

##### **Future plans**

Inclusion Scotland has been through a challenging period impacted by budget cuts, the loss of our Chief Executive Officer, a change in Convenors and increased staff turnover, all in addition to a review of the existing scope and structure of the organisation.

We have started to move to a new phase of stability. We recruited a new Chief Executive Officer who will take up post on 1 April 2024. They will be supported by a new organisational structure including a refocussed Senior Leadership Team. This new structure, and the new roles within it, will enable us to deliver our commitments to our membership to ensure that organisational members have the right support to thrive in an increasingly challenging operational environment.

We will continue to deliver all our funded commitments including continuing our work with disabled people and Disabled People's Organisations to ensure that disabled people's equality and human rights, and our lived experience are considered in the relevant areas; and to highlight the continuing impacts of the cost of living crisis and disabled people's systemic poverty. Poverty and the cost of living will be a priority.

We will work with the Scottish Government to deliver the Immediate Priorities Plan that was a commitment in the 2023 Programme for Government. We will continue our work on developments in Human Rights incorporation and National Care Service and other relevant legislation and policies that impact on disabled people and our rights. We will seek to influence strategic decision making on the economy, employment, and other areas.

We will partner and support academic institutions and others to deliver research on areas of key concern for disabled people, and through these build opportunities for disabled people to participate in research and research development.

## **Inclusion Scotland**

### **Report of the Trustees**

#### **For the year ended 31 March 2024**

##### **Future plans**

We will prepare ahead for the 2026 Scottish Government elections, gathering disabled people's priorities for a Manifesto. We will support disabled people to be candidates for election and we will support disabled people into work and support employers to be better employers of disabled people. We will identify and develop new programmes to support our mission of disabled people influencing policy makers, being policy makers themselves and build the capacity and support for this to happen.

We will develop membership offers and grow our membership so more disabled people and organisations benefit and are part of the Movement of disabled people in Scotland.

We will continue work to develop diverse and robust income streams to increase the fiscal security of the organisation and to empower our work. At the end of the funding cycles from the Scottish Government, we will apply for further funding to deliver our core work and projects.

We will continue to develop and grow our Board of trustees so that they can govern the organisation effectively.

##### **Structure, governance and management**

###### **Governing document**

Inclusion Scotland is governed by its Articles of Association. The Articles were amended by Special Resolution at our 2022-2023 AGM on 29 March 2024.

###### **Appointment to the Board of trustees**

The process for appointing trustees is set out in the Articles of Association. Candidates are nominated by full member organisations (DPOs) prior to the Annual General Meeting (AGM). Where the number of nominees exceeds the number of places available in each case, an election is held at the AGM.

The Board of Trustees meets approximately four times a year. This has continued to happen remotely this past year, with the Board Officers meeting more regularly as and when required.

The Articles of Association allow for up to 7 elected members and up to 5 co-opted trustees places. Following the AGM on 2 February 2023, 6 elected members and 1 co-opted trustees were in place. There were three office-bearers - Convenor, Vice Convenor, and Treasurer. There was no Company Secretary elected.

The Convenor resigned on 30 June 2023 and the Vice Convenor was elected Convenor. The Treasurer was elected Co-Convenor at the Board meeting on 18 December 2023.

At the AGM on 29 March 2024 the 5 elected trustees were not required to stand down. The Co-Convenor stood down and was re-co-opted. There are currently 6 trustees.

###### **Organisational structure**

The Chief Executive Officer took long term sick leave from September 2022 until they resigned their post in September 2023. During this period and for the duration of this report, leadership support has been provided to the Board and the organisation by a consultant with additional consultant brought in to provide key HR support. This support will remain in place until a new CEO is place and for a further period beyond that.

During this reporting period the organisational structure was unchanged, and the consultant worked with the Board and the senior management team, across three Departments:

- Operations and Business Development Department
- Leadership and Civic Participation Department
- Policy and Research Department

The Head of Operations and Business Development Department post was vacant and further interim support was obtained.

## **Inclusion Scotland**

### **Report of the Trustees**

#### **For the year ended 31 March 2024**

This and other vacancies presented an opportunity for the Board to consider and approve a new organisational structure. The new structure was approved by the Board and will be implemented in the next period.

#### **Membership**

Inclusion Scotland's membership tiers remain unchanged. Membership numbers continued to be relatively stable. Work is ongoing to re-engage with the membership throughout Scotland and to improve communications.

Disabled Peoples' Organisations remain the only voting member category, with other categories labelled in different ways.

- Members: Disabled People's Organisations, who are led by disabled people 49
- Associates: Individual members, who are disabled people 543
- Affiliates: Disability focused organisations, who are not led by disabled people 78
- Supporting Organisations: Non disability organisations 42
- Supporting Individuals: Non-disabled individuals 95

Total Membership/Supporters: 807

In addition to our membership, we reach a large number of organisations and individuals through our social networks and communications.

#### **Board members induction and training**

Annual audits are undertaken to assess the current skills of the Board and to identify potential skills gaps. A programme of training is developed to support and upskill the Board and a new Skills Matrix is in development.

New Board Members receive an induction, and all receive ongoing support and development, as required to fulfil their governance role effectively.

#### **Risk management**

The following risk categories are acknowledged by the Directors and will be mitigated as noted. In general, the first line of risk mitigation is by risk awareness, followed by the other means particularly stated here, and by monitoring a Risk Register.

#### **Operational**

There is a risk of operational shortcomings and failings leading to financial, reputational, and legal risks, both criminal and civil. Mitigation of these risks will be achieved by the continuing implementation and monitoring of management systems to ensure compliance with statutory requirements, maintenance management, training, health and safety, and customer care.

#### **Financial (revenue)**

The organisation remains financially stable. An evaluation of high-cost expenditure such as the office space was undertaken, and proactive action taken to reduce costs thus enabling investment in key areas such as staff capacity and development. Improved financial management and processes have been introduced and a continuous plan of development is in place to ensure financial practice and process continuously develop in line with governance requirements, and as the organisation evolves.

#### **Funding**

There is a risk of not securing sufficient funding for activities and projects curtailed because of insufficiency of available funds. This is reflective of the challenges faced by all not for profit organisations across the sector. Inclusion Scotland is prioritising the development of funded and also non-funded income streams. This action aims to mitigate against potential loss or reduction in grant funding. It will also widen the services Inclusion Scotland delivers for its membership and the wider Disabled People's Movement.

#### **Reputation**

There are risks to reputation from many directions, some of them detailed above and some which may arise from changes in the political environment and less predictable events. Extra mitigation will be enabled by continuous building of Inclusion Scotland's strong brand, having a reputation for general competence, and alertness and sensitivity in dealing with issues.

## **Inclusion Scotland**

### **Report of the Trustees**

#### **For the year ended 31 March 2024**

##### **Regulatory**

Apart from the risks of non-compliance mentioned above, there is the risk that changes in regulations could adversely affect the organisation. Mitigation will be achieved by assessing the impact of foreseeable changes and monitoring to ensure warning of actual changes, allowing time for planning responses.

##### **Organisational capacity**

There is a risk that the implementation of pre-committed funded activities is undermined by a lack of capacity in the organisation or by the organisation becoming stretched. This risk will be mitigated by adequate governance by a competent Board that will ensure the provision of, and oversee, strong management with resources and competencies to carry out the organisation's business. With a new and dynamic organisation structure to be implemented after 2024, Inclusion Scotland's staff capacity will increase. While staff capacity is low, funded deliverables continue to be achieved.

##### **Key management personnel and pay policy for senior staff**

The trustees consider the Board of Trustees, who are the organisation's directors, and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All trustees give of their time freely, and no trustee received remuneration in the year. Details of trustees' expenses are disclosed in note 17 of the financial statements.

##### **Subsidiary trading company**

Real Inclusion Limited is a company registered in Scotland remains in dormancy. The role of Real Inclusion will be evaluated when the organisation develops its new forward plan.

## **Inclusion Scotland**

### **Report of the Trustees**

#### **For the year ended 31 March 2024**

##### **Reference and administrative details**

###### **Registered Company number**

SC243492 (Scotland)

###### **Registered Charity number**

SC031619

Registered office Mansfield Traquair Centre, 15 Mansfield Place, Edinburgh, EH3 6BB

##### **Trustees**

- Mr L Starrs-Cunningham Resigned 30 June 2023
- Dr J Elder-Woodward OBE appointed Convenor, 30 June 2023, appointed Co-Convenor, 28 November 2023
- Mr A Mason
- Dr Balkishan Agrawal
- Ms I Paterson
- Mr Derek Kelter
- Ms K Dams appointed Co-Convenor 28 November 2023

As the company is limited by guarantee, the financial interests of the trustees in the company are identical to those of the members.

##### **Chief Executive Officer**

Moira Tasker (to 30 September 2023)

Vacant (1 October 2023 to 31 March 2024)

New CEO recruited to start 1 April 2024

##### **Auditors**

Chiene + Tait LLP (trading as CT)

Chartered Accountants and Statutory Auditors 61 Dublin Street

Edinburgh EH3 6NL

##### **Bankers**

Bank of Scotland

8 Lochside Avenue Edinburgh

EH12 9DJ

## **Inclusion Scotland**

### **Report of the Trustees**

#### **For the year ended 31 March 2024**

##### **Statement of Trustees responsibilities**

The trustees (who are also the directors of Inclusion Scotland for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

##### **Statement of disclosure to our auditors**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware, and
- the trustees, having made enquiries of fellow trustees and the charitable company's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by order of the Board of trustees on 19 August 2024....., signed on its behalf



Ms K Dams  
Co-Convenor

**Inclusion Scotland**  
**Independent Auditor's Report to the Trustees and Members of**  
**Inclusion Scotland**  
**For the year ended 31 March 2024**

**CT:**

**Opinion**

We have audited the charitable company's financial statements of Inclusion Scotland for the year ended 31 March 2024 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Inclusion Scotland****Independent Auditor's Report to the Trustees and Members of****Inclusion Scotland****For the year ended 31 March 2024**

CT:

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, 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, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risks of acts by the charitable company which were contrary to applicable laws and regulations, included fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- review of minutes of trustee meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Board that represented a material misstatement due to fraud.

**Inclusion Scotland**  
**Independent Auditor's Report to the Trustees and Members of**  
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**CT:**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy M Chittleburgh CA  
CT  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
EDINBURGH  
EH3 6NL

Date: 19 August 2024

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

**INCLUSION SCOTLAND****STATEMENT of FINANCIAL ACTIVITIES**  
(Incorporating an Income and Expenditure Account)**For the year ended 31 March 2024**

|  | Notes | Un-<br>restricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2024<br>Total<br>Funds<br>£ | Un-<br>restricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2023<br>Total<br>Funds<br>£ |
|--|-------|---------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|
| <b>Income and Endowments from:</b>     |       |                                 |                          |                             |                                 |                          |                             |
| Donations and legacies                 | 2     | 5,585                           | 18,808                   | 24,393                      | 1,499                           | 24,321                   | 25,820                      |
| <b>Charitable activities</b>           |       |                                 |                          |                             |                                 |                          |                             |
| Project activities                     | 3     | 825,000                         | 199,332                  | 1,024,332                   | 828,706                         | 163,667                  | 992,373                     |
| Other income                           |       | 5,450                           | -                        | 5,450                       | 68,048                          | -                        | 68,048                      |
| <b>Total</b>                           |       | <b>836,035</b>                  | <b>218,140</b>           | <b>1,054,175</b>            | <b>898,253</b>                  | <b>187,988</b>           | <b>1,086,241</b>            |
| <b>Expenditure on:</b>                 |       |                                 |                          |                             |                                 |                          |                             |
| <b>Charitable activities</b>           |       |                                 |                          |                             |                                 |                          |                             |
| General activities                     | 4     | 806,276                         | 119,868                  | 926,144                     | 872,518                         | 215,882                  | 1,088,400                   |
| <b>Total</b>                           |       | <b>806,276</b>                  | <b>119,868</b>           | <b>926,144</b>              | <b>872,518</b>                  | <b>215,882</b>           | <b>1,088,400</b>            |
| <b>Net income/(expenditure)</b>        |       | <b>29,759</b>                   | <b>98,272</b>            | <b>128,031</b>              | <b>25,735</b>                   | <b>(27,894)</b>          | <b>(2,159)</b>              |
| <b>Transfer between funds</b>          |       |                                 |                          |                             |                                 |                          |                             |
|  | 15    | 57,934                          | (57,934)                 | -                           | (57,889)                        | 57,889                   | -                           |
|  |       | <b>87,693</b>                   | <b>40,338</b>            | <b>128,031</b>              | <b>(32,154)</b>                 | <b>29,995</b>            | <b>(2,159)</b>              |
| <b>Other recognised gains/(losses)</b> |       |                                 |                          |                             |                                 |                          |                             |
| Actuarial (losses)/gains               |       | -                               | -                        | -                           | 36                              | -                        | 36                          |
| <b>Net movement in funds</b>           |       | <b>87,693</b>                   | <b>40,338</b>            | <b>128,031</b>              | <b>(32,118)</b>                 | <b>29,995</b>            | <b>(2,123)</b>              |
| <b>Reconciliation of Funds</b>         |       |                                 |                          |                             |                                 |                          |                             |
| Total funds brought forward            |       | 303,493                         | 34,906                   | 338,399                     | 335,611                         | 4,911                    | 340,522                     |
| <b>Total Funds Carried Forward</b>     |       | <b>391,186</b>                  | <b>75,244</b>            | <b>466,430</b>              | <b>303,493</b>                  | <b>34,906</b>            | <b>338,399</b>              |

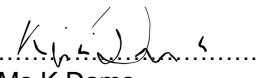
All income and expenditure has arisen from continuing activities.

**INCLUSION SCOTLAND****BALANCE SHEET****At 31 March 2024**

|   | <b>Notes</b> | <b>2024</b><br>£ | <b>2023</b><br>£ |
|---|--------------|------------------|------------------|
| <b>Fixed Assets</b>                                       |              |                  |                  |
| Tangible assets   | 10           | 80               | 4,606            |
| Investments   | 11           | 1                | 1                |
|   |              | -----            | -----            |
|   |              | 81               | 4,607            |
| <b>Current Assets</b>                                     |              |                  |                  |
| Debtors   | 12           | 339,892          | 214,195          |
| Cash in hand  |              | 206,686          | 200,995          |
|   |              | -----            | -----            |
|   |              | 546,578          | 415,190          |
| <b>Creditors:</b> Amounts falling due within one year     | 13           | (79,900)         | (79,211)         |
|   |              | -----            | -----            |
| <b>Net Current Assets</b>                                 |              | 466,678          | 335,979          |
|   |              | -----            | -----            |
| Total assets less current liabilities                     |              | 466,759          | 340,586          |
| Creditors; Amounts due after one year - Pension liability | 16           | (329)            | (2,187)          |
|   |              | -----            | -----            |
| <b>Net assets</b>   |              | 466,430          | 338,399          |
|   |              | =====            | =====            |
| <b>Funds</b>  | 15           |                  |                  |
| Unrestricted funds  |              | 391,186          | 303,493          |
| Restricted funds  |              | 75,244           | 34,906           |
|   |              | -----            | -----            |
|   |              | 466,430          | 338,399          |
|   |              | =====            | =====            |

These financial statements are prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Trustees on 19 August 2024... and were signed on its behalf by:

  
Ms K Dams  
Co-Convenor

Registered Company Number: SC243492 (Scotland)

**INCLUSION SCOTLAND****CASH FLOW STATEMENT****For the year ended 31 March 2024**

|   | Notes | 2024<br>£ | 2023<br>£ |
|---|-------|-----------|-----------|
| <b>Cash flows from operating activities</b>                         | 1     |           |           |
| Cash (used in)/generated from operations                            |       | 7,611     | (56,362)  |
| Pension deficit contributions                                       |       | (1,920)   | (1,864)   |
| <b>Net cash (used in)/provided by operating activities</b>          |       | 5,691     | (58,226)  |
| <b>Change in cash and cash equivalents in the reporting period</b>  |       | 5,691     | (58,226)  |
| Cash and cash equivalents at the beginning of the reporting period  |       | 200,995   | 259,221   |
| <b>Cash and cash equivalents at the end of the reporting period</b> |       | 206,686   | 200,995   |

|                                  | At 1<br>April<br>2023 | Cashflows | Other<br>non-cash<br>changes | At 31<br>March<br>2024 |
|----------------------------------|-----------------------|-----------|------------------------------|------------------------|
|                                  | £                     | £         | £                            | £                      |
| <b>Cash and Cash Equivalents</b> |                       |           |                              |                        |
| Cash                             | 200,995               | (5,691)   | -                            | 206,686                |

**INCLUSION SCOTLAND****NOTES to the CASH FLOW STATEMENT****For the year ended 31 March 2024****1. Reconciliation of Net Income/(Expenditure) To Net Cash Flow from Operating Activities**

|   | <b>2024</b> | <b>2023</b> |
|---|-------------|-------------|
|   | £           | £           |
| <b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b> | 128,031     | (2,159)     |
| <b>Adjustments for:</b>   |             |             |
| Depreciation charges & loss on disposal   | 4,526       | 7,066       |
| Non-cash interest on defined benefit pension  | 62          | 70          |
| (Increase)/decrease in debtors  | (125,697)   | (106,836)   |
| Increase/(decrease) in creditors  | 689         | 45,497      |
|   | -----       | -----       |
|   | 7,611       | (56,362)    |
|   | =====       | =====       |

## **INCLUSION SCOTLAND**

### **NOTES to the FINANCIAL STATEMENTS**

#### **For the year ended 31 March 2024**

#### **1. Accounting Policies**

##### **Basis of preparing the financial statements**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### **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 Republic of Ireland (FRS102)(second edition October 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Inclusion Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### **Going concern**

The trustees consider that there are no material uncertainties about Inclusion Scotland's ability to continue as a going concern. With regard to the following year, the most significant area of uncertainty facing Inclusion Scotland is the level of funding which needs to be raised each and every year, this is covered in more detail in the performance and risk sections of the trustees' annual report.

##### **Accounting judgements and sources of estimation uncertainty**

In preparing these financial statements, the trustees have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required, an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

##### **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.

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

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

Other income represents those items not falling into any other heading.

## **INCLUSION SCOTLAND**

### **NOTES to the FINANCIAL STATEMENTS (continued)**

#### **For the year ended 31 March 2024**

#### **1. Accounting Policies (continued)**

##### **Expenditure**

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 on charitable activities includes costs of the projects undertaken to further the purposes of the charity and their associated support costs.

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

##### **Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life. Items with an individual value exceeding £500 are capitalised.

|                      |   |                   |
|----------------------|---|-------------------|
| Plant and machinery  | - | 20% straight line |
| Computer equipment   | - | 33% straight line |
| Tenants improvements | - | 10% straight line |

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work.

##### **Pension costs and other post-retirement benefits**

The company participates in the scheme, a multi-employer scheme which provides benefits to approximately 102 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

##### **Legal status of the charity**

The Charity is limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

##### **Investments**

Investments is the share it owns in its trading subsidiary, Real Inclusion Limited, which is carried at cost and not consolidated as it is considered immaterial.

## **INCLUSION SCOTLAND**

### **NOTES to the FINANCIAL STATEMENTS (continued)**

#### **For the year ended 31 March 2024**

##### **1. Accounting Policies (continued)**

###### **Debtors**

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

###### **Creditors and provisions**

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

###### **Financial Instruments**

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

###### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

###### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

###### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

###### **Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

**INCLUSION SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2024**

|  | <b>2024</b>         | <b>2023</b>          |                    |
|--|---------------------|----------------------|--------------------|
|  | £                   | £                    |                    |
| <b>2. Donations and Legacies</b>                 |                     |                      |                    |
| Donations and legacies                           | 5,585               | 1,499                |                    |
| Department of Work and Pensions                  | 18,808              | 24,321               |                    |
|  | -----               | -----                |                    |
|  | 24,393              | 25,820               |                    |
|  | =====               | =====                |                    |
| <b>3. Income from Project Activities</b>         |                     |                      |                    |
| <b>Activity</b>                                  | <b>2024</b>         | <b>2023</b>          |                    |
| Grants: Project activities – Scottish Government | 1,024,332           | 992,373              |                    |
|  | =====               | =====                |                    |
| <b>4. Charitable Activities Costs</b>            |                     |                      |                    |
|  | <b>Direct Costs</b> | <b>Support Costs</b> | <b>Total Costs</b> |
|  | (See note 5)        | £                    | £                  |
| General activities                               | 888,537             | 37,607               | 926,144            |
|  | =====               | =====                | =====              |
| <b>5. Support Costs</b>                          |                     |                      |                    |
| <b>Human resources</b>                           | <b>2024</b>         | <b>2023</b>          |                    |
| Recruitment costs                                | 18,717              | 350                  |                    |
| <b>Governance costs</b>                          |                     |                      |                    |
| Auditors remuneration                            | 12,170              | 13,116               |                    |
| Auditors remuneration – non audit work           | -                   | 1,500                |                    |
| Legal and professional fees                      | 6,720               | 15,415               |                    |
|  | -----               | -----                |                    |
|  | 37,607              | 30,381               |                    |
|  | =====               | =====                |                    |

**INCLUSION SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2024**

| <b>6. Net income/(expenditure)</b>                             | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
|  | £           | £           |
| Net income/(expenditure) is stated after charging/(crediting): |             |             |
| Auditor's remuneration   | 12,170      | 13,116      |
| Non-audit services   | -           | 1,500       |
| Depreciation   | 2,944       | 7,066       |
|  | =====       | =====       |

**7. Trustees' Remuneration**

The trustees are prohibited by the Articles of Association from receiving emoluments from the company.

| <b>8. Staff Costs</b> | <b>2024</b> | <b>2023</b> |
|-----------------------|-------------|-------------|
|                       | £           | £           |
| Wages and salaries    |             |             |
| Social security costs | 363,995     | 601,201     |
| Other pension costs   | 26,540      | 63,509      |
| Termination payments  | 29,276      | 46,798      |
|                       | 43,009      | -           |
|                       | =====       | =====       |
|                       | 462,861     | 711,507     |
|                       | =====       | =====       |

|   |    |    |
|---|----|----|
| The average monthly number of employees during the year was | 13 | 19 |
| =====   |    |    |

No employees received emoluments in excess of £60,000.

The Key Management Personnel are defined as the CEO, interim CEO and the interim head of operations. The aggregate remuneration of key management personnel in the year was £186,187 (2023: £214,571).

| <b>10. Tangible fixed assets</b> | <b>Tenant improvements</b> | <b>Plant and machinery</b> | <b>Computer equipment</b> | <b>Totals</b> |
|----------------------------------|----------------------------|----------------------------|---------------------------|---------------|
|                                  | £                          | £                          | £                         | £             |
| <b>Cost</b>                      |                            |                            |                           |               |
| At 1 April 2023                  | 3,189                      | 3,274                      | 29,246                    | 35,709        |
| Disposals                        | (3,189)                    | (780)                      | (3,720)                   | (7,689)       |
|                                  | =====                      | =====                      | =====                     | =====         |
| At 31 March 2024                 | -                          | 3,274                      | 29,246                    | 35,709        |
|                                  | =====                      | =====                      | =====                     | =====         |
| <b>Depreciation</b>              |                            |                            |                           |               |
| At 1 April 2023                  | 1,288                      | 3,274                      | 26,541                    | 31,103        |
| Charge for the year              | 319                        | -                          | 2,625                     | 2,944         |
| On disposals                     | (1,607)                    | (780)                      | (3,720)                   | (6,107)       |
|                                  | =====                      | =====                      | =====                     | =====         |
| At 31 March 2024                 | -                          | 3,274                      | 29,166                    | 34,047        |
|                                  | =====                      | =====                      | =====                     | =====         |
| <b>Net book value</b>            |                            |                            |                           |               |
| At 31 March 2024                 | -                          | -                          | 80                        | 80            |
|                                  | =====                      | =====                      | =====                     | =====         |
| At 31 March 2023                 | 1,901                      | -                          | 2,705                     | 4,606         |
|                                  | =====                      | =====                      | =====                     | =====         |

**INCLUSION SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2024****11. Fixed Asset Investments**

The charity holds 1 £1 ordinary share in its wholly owned trading subsidiary Real Inclusion Limited. Real Inclusion Limited is incorporated in the United Kingdom (company number SC293760). Real Inclusion Limited has been dormant in both the current and prior year.

|                                      | <b>2024</b> | <b>2023</b> |
|--------------------------------------|-------------|-------------|
|                                      | £           | £           |
| Aggregate share capital and reserves | 1           | 1           |
|                                      | =====       | =====       |

**12. Debtors: amount falling due within one year**

|                                | <b>2024</b> | <b>2023</b> |
|--------------------------------|-------------|-------------|
|                                | £           | £           |
| Debtors                        | -           | 1,500       |
| Monies held by payroll agents  | 298,265     | 198,132     |
| Prepayments and accrued income | 41,627      | 14,563      |
|                                | =====       | =====       |
|                                | 339,892     | 214,195     |
|                                | =====       | =====       |

**13. Creditors: amounts falling due within one year**

|                  | <b>2024</b> | <b>2023</b> |
|------------------|-------------|-------------|
|                  | £           | £           |
| Creditors        | 54,470      | 27,441      |
| Accrued expenses | 24,428      | 47,324      |
| Other creditors  | 732         | 4,446       |
|                  | =====       | =====       |
|                  | 79,900      | 79,211      |
|                  | =====       | =====       |

**14. Analysis of net assets between funds**

|                    | Un-<br>restricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2024<br>Total<br>Funds<br>£ | 2023<br>Total<br>Funds<br>£ |
|--------------------|---------------------------------|--------------------------|-----------------------------|-----------------------------|
| Fixed assets       | 81                              | -                        | 81                          | 4,606                       |
| Net current assets | 391,434                         | 75,244                   | 466,678                     | 335,979                     |
| Pension liability  | (329)                           | -                        | (329)                       | (2,187)                     |
|                    | =====                           | =====                    | =====                       | =====                       |
|                    | 391,186                         | 75,244                   | 466,430                     | 338,399                     |
|                    | =====                           | =====                    | =====                       | =====                       |

**INCLUSION SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2024**

| 15. Movement in funds                  | At<br>1 April<br>2023<br>£ | Income<br>£ | Expend-<br>iture<br>£ | Unrealised<br>Gains/<br>(losses)<br>and<br>transfers<br>£ | At                    |
|--|----------------------------|-------------|-----------------------|---|-----------------------|
|  |                            |             |                       |   | 31 March<br>2024<br>£ |
| <b>Unrestricted</b>                    |                            |             |                       |   |                       |
| General fund                           | 303,493                    | 836,035     | (806,276)             | 57,934  | 391,186               |
| <b>Restricted</b>                      |                            |             |                       |   |                       |
| People Led Policy Panel on Social Care | 34,906                     | 199,332     | (108,743)             | (57,934)  | 67,561                |
| Access to Work                         | -                          | 18,808      | (11,125)              | -   | 7,683                 |
|  | 34,906                     | 218,140     | (119,868)             |   | 75,244                |
|  | 338,399                    | 1,054,175   | (926,144)             | -   | 466,430               |

Details of the funds can be found in the Trustees' report.

The transfer between funds represents expenditure in the prior year which had not been allocated against the restricted fund in error.

| Movement in funds                      | At<br>1 April<br>2022<br>£ | Income<br>£ | Expend-<br>iture<br>£ | Unrealised<br>Gains/<br>(losses)<br>and<br>transfers<br>£ | At                    |
|--|----------------------------|-------------|-----------------------|---|-----------------------|
|  |                            |             |                       |   | 31 March<br>2023<br>£ |
| <b>Unrestricted</b>                    |                            |             |                       |   |                       |
| General fund                           | 335,611                    | 898,253     | (872,518)             | (57,853)  | 303,493               |
| <b>Restricted</b>                      |                            |             |                       |   |                       |
| Access to Elected Office               | -                          | 45,000      | (102,889)             | 57,889  | -                     |
| People Led Policy Panel on Social Care | 4,911                      | 118,667     | (88,672)              | -   | 34,906                |
| Access to Work                         | -                          | 24,321      | (24,321)              | -   | -                     |
|  | 4,911                      | 187,988     | (215,882)             | -   | 34,906                |
|  | 340,522                    | 1,086,241   | (1,088,400)           | 36  | 338,399               |

**INCLUSION SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2024****16. Employee benefit obligations****TPT Retirement Solution - Scottish Voluntary Sector Pension Scheme**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 82 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

**Deficit Contributions**

|                                  |                      |  |
|----------------------------------|----------------------|--|
| From 1 April 2022 to 31 May 2024 | £1,473,969 per annum | (payable monthly)<br>and increasing by 3%<br>each on 1st April |
|----------------------------------|----------------------|--|

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 28 February 2034.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

|  |                      |  |
|--|----------------------|--|
| From 1 April 2019 to 30 September 2026 | £1,404,638 per annum | (payable monthly)<br>and increasing by 3%<br>each on 1st April |
| From 1 April 2019 to 30 September 2027 | £136,701 per annum   | (payable monthly)<br>and increasing by 3%<br>each on 1st April |

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

| Present values of provision | 2024  | 2023  | 2022  |
|-----------------------------|-------|-------|-------|
|                             | £     | £     | £     |
| Present value of provision  | 329   | 2,187 | 4,017 |
| =====                       | ===== | ===== | ===== |

**INCLUSION SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2024****16. Employee benefit obligations (continued)**

| Reconciliation of provision & income and expenditure impact | 2024<br>£ | 2023<br>£ |
|---|-----------|-----------|
| Provision at start of the year                              | 2,187     | 4,017     |
| Deficit contribution paid                                   | (1,920)   | (1,864)   |
| Unwinding of the discount factor (interest expense)         | 62        | 70        |
| Remeasurements - impact of any changes in assumptions       | -         | (36)      |
| Remeasurements - amendments to the contribution schedule    | -         | -         |
| Income and expenditure account                              | 62        | 34        |
| Provision at end of the year                                | 329       | 2,187     |
| Income and expenditure impact                               | =====     | =====     |

|  | Period Ending<br>31 March 2024<br>(£s) | Period Ending<br>31 March 2023<br>(£s) |
|--|--|--|
| Interest expense   | 62                                     | 70                                     |
| Remeasurements – impact of any change in assumptions     | -                                      | (36)                                   |
| Remeasurements – amendments to the contribution schedule | -                                      | -                                      |
| Contributions paid in respect of future service*         | *                                      | *                                      |
| Costs recognised in income and expenditure account       | *                                      | *                                      |

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

| Assumptions      | 2024<br>% | 2023<br>% | 2022<br>% |
|------------------|-----------|-----------|-----------|
|                  | per annum | per annum | per annum |
| Rate of discount | 4.90      | 5.40      | 2.30      |
|                  | =====     | =====     | =====     |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**Defined contribution pension scheme**

The company also participates in a defined contribution pension scheme. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £28,187 (2023: £48,340).

There were no contributions due to the fund at 31 March 2024 (2023: £nil).

**INCLUSION SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2024****17. Related party disclosures**

During the year, Inclusion Scotland made purchases of £nil (2023: £12,580) from Lothian Centre for Inclusive Living. Dr B Agrawal is also a director of Lothian Centre for Inclusive Living. At 31 March 2024, Inclusion Scotland owed Lothian Centre for Inclusive Living £nil (2023: £nil).

Re-imbursement of Trustee expenses including reasonable adjustment accommodations and travel expenses during the year amounted to £11,529 (2023: £1,292).

**18. Operating lease commitments**

Total future minimum lease payments under non-cancellable operating leases for each of the following periods are:

|                 | <b>2024</b><br>£ | <b>2023</b><br>£ |
|-----------------|------------------|------------------|
| Within one year | nil              | 45,000           |
|                 | =====            | =====            |