

Draft

Inclusion Scotland

Report of the Trustees and Financial Statements

For the year ended 31 March 2025

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Inclusion Scotland

Report of the Trustees

For the year ended 31 March 2025

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 2025. 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 this year is Mansfield Traquair Centre, Mansfield Place, Edinburgh EH3 6BB. From 1 April 2025 this will be Robertson House, 152 Bath Street, Glasgow G2 4TB.

Following the pandemic staff continued to work in a largely hybrid manner and increasingly use shared desk space and meetings rooms at Mansfield Traquair Centre in Edinburgh, and Robertson House in Glasgow.

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.

A strategic review of our mission has been undertaken, and a new 18-month Strategy is due in Spring 2025.

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 programmes and time-limited projects, and partner with academic research. Our internships programme (employment) and our delivery of the Access to Elected Office Fund Scotland received ongoing funding and have become an established part of our work.

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.
- 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 developed with reference to the priorities of disabled people as gathered by us from our Disabled People Organisations and individual disabled people membership, and wider engagement with other disabled people. Our activities were 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 2025

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, disabled people's organisations 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 live experience into account. Promoting the role of disabled people and DPOs; We will promote the unique status of disabled people and DPOs to policy makers, as set out by the United Nations.

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 address the disability pay gap, and to influence policy work in this area.
- **We Can Work Internships programme:** We will continue to promote and grow the internship programme, supporting disabled people and employers to benefit from meaningful employment opportunities.

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 and inclusive 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. 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, and broker the changes needed for equality.
- **(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.
- **Social Care Support:** support the People-Led Policy Panel to co-produce policy, including the re-design of the proposed National Care Service.

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

Disabled people's rights, including human rights, will be protected and promoted.

- **Human rights:** We will build on the UN Committee's examination of progress on UNCPRD, support the development and implementation of the Scottish Government's delivery plans around UNCPRD 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.

Inclusion Scotland Report of the Trustees For the year ended 31 March 2025

Developing and strengthening our work and our organisation

- **Governance and management:** We will continue to strengthen our board and
- **Constitution:** We will continue our 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 continue 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 and provision premises for co-working in Glasgow and Edinburgh.

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 itemized below, is contained in the Impact Report 2024-2025, available on our website.

Funding

Inclusion Scotland received the following funding.

Scottish Government Equality and Human Rights Fund

From 1 April 2024 we received a grant fund for the period to 31 March 2025 from the Scottish Government's Equality and Human Rights Fund (£825,000). This grant is administered by the fund manager, Inspiring Scotland. There was equivalent to the EHRF grant fund in 2023-24.

Scottish Government Social Care and National Care Service Directorate

We received funding for the Scottish Government National Care Directorate (£115,250) across two grants, to support the People-Led Policy Panel (PLPP) on Social Care Support.

The PLPP grant periods did not align with our financial year (April 2024 to March 2025). The first grant (£39,750) covered April to June 2024, and a second grant covered July 2024 to March 2025 (£113,250). However, the final payment for January 2025 to March 2025 (£37,750) was received after the end of the period covered by this report.

Other funds

We received one off funding from Kings College London of £1902 for partnership working on the Welfare Experiences research project.

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 3 months. We meet the requirements set out in the policy.

Future plans

Inclusion Scotland will continue to build the resilience and sustainability of the organisation in challenging times. We will do this through the ongoing development of and succession planning for the governance structure and development of a revised trustee induction programme so that we have a strong Board to govern our organisation. We will increase our focus on ethical income diversification for continuation and growth to deliver our mission.

Inclusion Scotland Report of the Trustees For the year ended 31 March 2025

We will identify further enhancements to our recent re-structuring so that we have the capacity to deliver our mission and commitment to our membership. We will develop an 18-month strategy to drive our work and measure our achievements.

We will continue our work 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 take an intersectional, human-rights-based and Scotland wide approach to this work. We will work with the Scottish Government and allies to deliver, monitor, enhance and accelerate the actions in the Disability Equality Plan.

We will continue to improve our participation opportunities and to develop and broker further opportunities for disabled people to be involved in influencing the policies, practices and attitudes that affect our lives, and charge others to do the same.

We will encourage, 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.

We will grow disabled people's employment opportunities through the WeCanWork internship programme and through promotion of employ-er-ability practice and expand this programme.

We will ensure that disabled people have equal opportunity to participate in politics as elected members by promoting and administering the Access to Elected Office Fund Scotland ahead of the Scottish Parliament elections 2026. We will gather disabled people's priorities for a Manifesto.

We will grow our membership and support all our members by reinvigorating our membership offer, including enhanced external communications. We will support our Disabled People's Organisation membership by strengthening capacity of organisations and the infrastructure of Disabled People's Organisations across Scotland.

We will continue to enhance our staff capacity through recruitment, training and development, and will advance our Fair Work practice so that our staff are supported and have opportunities to develop. We will continue to work on improving our internal systems to enhance our working practices.

We will continue to act on our finance processes and procedures so that the organisation works to an approved Scheme of Delegation, and we have banking services that meet our needs.

Structure, governance and management Governing document

Inclusion Scotland is governed by its Articles of Association.

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 (Disabled People's Organisations) prior to the Annual General Meeting. 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 year the Board of Trustees met online, in person and in hybrid combination, with the Board Officers meeting more regularly as and when required.

There were three office-bearers elected by the Board of Trustees - Convenor, Vice Convenor, and Treasurer. The organisation's Senior Administrator was appointed Company Secretary on 1 October 2024 by the Board of Trustees.

Organisational structure

Inclusion Scotland was re-structured in 2024 to provide a structure able to meet the mission of the organisation, and to ready the organisation for the future. The re-structuring process offered existing staff either new positions with no loss of pay, or redundancy terms. New staff were recruited and onboarded to fill vacancies. A new Senior Leadership Team and departmental structure was implemented by CEO, Head of Policy and Participation and Head of Development and Engagement.

Inclusion Scotland Report of the Trustees For the year ended 31 March 2025

Membership

Inclusion Scotland's membership tiers remain unchanged. Membership numbers began to increase as work to re-engage with the membership throughout Scotland and to improve communications took hold.

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

- Members: Disabled People's Organisations 49 (previously 49)
- Associates: Individual disabled people members 544 (previously 543)
- Affiliates: Disability focused organisations 79 (previously 78)
- Supporting Organisations: Non disability organisations 43 (previously 42)
- Supporting Individuals: Non-disabled individuals 95 (previously 95)
- Total Membership/Supporters: 810 (previously 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

Regular audits are undertaken to assess the Board's current skills and to identify potential skills gaps. In 2024 we conducted a detailed Skills and Experience exercise to identify these and any gaps. A programme of training, development and recruitment is in place to support and upskill the Board. In 2024, this included IT training, alongside the provision of equipment and software for those who required it.

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 risk awareness, followed by the other means particularly stated here, and by monitoring the 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. A previous evaluation of high-cost expenditure such as the office space was undertaken, and steps continued to address expenditure to reduce costs. Improved financial management and processes continued to be introduced and monitored, and this will continue, so that our financial practice and processes continuously develop in line with governance requirements, and as the organisation evolves.

Funding

There is an ever-present risk of not securing sufficient funding to enable activities and projects. 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 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. Work planning takes account of available resources.

Inclusion Scotland

Report of the Trustees

For the year ended 31 March 2025

Reputation

There are risks to reputation from many directions, some of them detailed above and others arising from changes in the political environment and less predictable events. Extra mitigation will be enabled by continuous building, and upcoming refresh of Inclusion Scotland's strong brand, having a reputation for general competence, and alertness and sensitivity in dealing with issues. Inclusion Scotland is reviewing its use of social media platforms which operate hostile policies.

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. Action to mitigate this has started with the work to strengthen governance, re-structuring of the organisation including a Senior Leadership Team, a strategy and efficient work planning, and securing adequate and diverse funding. Staff capacity has already increased from the previous year.

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 Leadership Team comprising the CEO and Heads of departments, in charge of directing and controlling, running and operating the charity on a day-to-day basis.

All trustees give their time freely, and no trustee receives remuneration in the year. Details of trustees' expenses are disclosed in the financial statements.

Subsidiary trading company

Real Inclusion Limited is a company registered in Scotland, remains in a dormancy. The role of Real Inclusion will be evaluated in the future.

**Inclusion Scotland
Report of the Trustees
For the year ended 31 March 2025**

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

- Dr J Elder-Woodward
- Mr A Mason
- Dr Balkishan Agrawal
- Ms I Paterson
- Mr Derek Kelter
- Ms K Dams
- Ms J Rennie (appointed on 19 June 2024 and resigned on 21 February 2025)
- Ms J Sarafilovic (appointed on 19 June 2024)
- Mr A Thelwell (appointed on 1 October 2024)

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

Heather Fiskén

Auditors

CT Audit Limited
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Bank of Scotland

**Inclusion Scotland
Report of the Trustees
For the year ended 31 March 2025**

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, signed on its behalf

.....
Jim Elder-Woodward, Convenor

Opinion

We have audited the charitable company's financial statements of Inclusion Scotland for the year ended 31 March 2025 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.

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:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading any available correspondence with regulators including OSCR;
- Reviewing board minutes
- Challenging assumptions and judgements made by management in their significant accounting estimates,
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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

**Inclusion Scotland
Independent Auditor's Report to the Trustees and Members of
Inclusion Scotland
For the year ended 31 March 2025**

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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.

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 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.

Steven Smillie CA
CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
EDINBURGH
EH3 6NL

Date:

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 2025

	Notes	Un- restricted Funds £	Restricted Funds £	2025 Total Funds £	Un- restricted Funds £	Restricted Funds £	2024 Total Funds £
Income and Endowments from:							
Donations and legacies	2	622	-	622	5,585	18,808	24,393
Charitable activities							
Project activities	3	-	978,002	978,002	825,000	199,332	1,024,332
Other income		9,569	30,781	40,350	5,450	-	5,450
Total		10,191	1,008,783	1,018,974	836,035	218,140	1,054,175
Expenditure on:							
Charitable activities							
General activities	4	297,114	660,943	958,057	806,276	119,868	926,114
Total		297,114	660,943	958,057	806,276	119,868	926,144
Net income/(expenditure)		(286,923)	347,840	60,917	29,759	98,272	128,031
Transfer between funds	15	-	-	-	57,934	(57,934)	-
		(286,923)	347,840	60,917	87,693	40,338	128,031
Other recognised gains/(losses)							
Actuarial (losses)/gains					-	-	-
Net movement in funds		(286,923)	347,840	60,917	87,693	40,338	128,031
Reconciliation of Funds							
Total funds brought forward		391,186	75,244	466,430	303,493	34,906	338,399
Total Funds Carried Forward		104,263	423,084	527,347	391,186	75,244	466,430

All income and expenditure has arisen from continuing activities.

INCLUSION SCOTLAND

BALANCE SHEET

At 31 March 2025

	Notes	2025 £	2024 £
Fixed Assets			
Tangible assets	10	22,579	80
Investments	11	1	1
		-----	-----
		22,580	81
Current Assets			
Debtors	12	62,755	339,892
Cash in hand		546,721	206,686
		-----	-----
		609,476	546,578
Creditors: Amounts falling due within one year	13	(104,709)	(79,900)
		-----	-----
Net Current Assets		504,767	466,678
		-----	-----
Total assets less current liabilities		527,348	466,678
		-----	-----
Creditors; Amounts due after one year - Pension liability	16	-	(329)
		-----	-----
Net assets		527,347	466,430
		=====	=====
Funds	15		
Unrestricted funds		100,863	391,186
Restricted funds		426,484	75,244
		-----	-----
		527,347	466,430
		=====	=====

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 and were signed on its behalf by:

.....
Dr J Elder-Woodward
Convenor

Registered Company Number: SC243492 (Scotland)

INCLUSION SCOTLAND

CASH FLOW STATEMENT

For the year ended 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities	1		
Cash (used in)/generated from operations		364,748	7,611
Pension deficit contributions		(329)	(1,920)
		-----	-----
Net cash (used in)/provided by operating activities		346,419	5,691
 Cash flows from investing activities	1		
Payment for property, plant and equipment		(24,384)	-
		-----	-----
Net cash (used in)/provided by investing activities		(24,384)	-
 Change in cash and cash equivalents in the reporting period		340,035	5,691
Cash and cash equivalents at the beginning of the reporting period		206,686	200,995
		-----	-----
Cash and cash equivalents at the end of the reporting period		546,721	206,686
		=====	=====

	At 1 April 2024 £	Cashflows £	Other non-cash changes £	At 31 March 2025 £
Cash and Cash Equivalents				
Cash	200,995	340,035	-	546,721
	=====	=====	=====	=====

INCLUSION SCOTLAND

NOTES to the CASH FLOW STATEMENT

For the year ended 31 March 2025

1. Reconciliation of Net Income/(Expenditure) To Net Cash Flow from Operating Activities

	2025 £	2024 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	60,917	128,031
Adjustments for:		
Depreciation charges	1,885	4,526
Non-cash interest on defined benefit pension	-	62
(Increase)/decrease in debtors	277,137	(125,697)
Increase/(decrease) in creditors	24,809	689
	-----	-----
	364,748	7,611
	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2025

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.

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.

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.

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

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 2025

2. Donations and Legacies

	2025	2024
	£	£
Donations and legacies	622	5,585
Department of Work and Pensions	34,181	18,808
	-----	-----
	34,803	24,393
	=====	=====

3. Income from Project Activities

	2025	2024
	£	£
Activity		
Grants: Project activities – Scottish Government	978,002	1,024,332
	=====	=====

4. Charitable Activities Costs

	Direct Costs	Support Costs	Total Costs
	(See note 5) £	£	£
General activities	905,595	52,462	958,057
	=====	=====	=====

5. Support Costs

	2025	2024
	£	£
Human resources		
Recruitment costs	17,527	18,717
Governance costs		
Auditors remuneration	28,884	12,170
Auditors remuneration – non audit work	171	-
Legal and professional fees	5,880	6,720
	-----	-----
	52,462	37,607
	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

6. Net income/(expenditure)	2025	2024
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Auditor's remuneration	28,884	12,170
Non-audit services	171	-
Depreciation	1,885	2,944
	=====	=====

7. Trustees' Remuneration and Benefits

The trustees are prohibited by the Articles of Association from receiving emoluments from the company. No trustee received emoluments from the company.

8. Staff Costs	2025	2024
	£	£
Wages and salaries	297,465	363,995
Social security costs	24,362	26,540
Other pension costs	20,756	29,276
Termination payments	21,542	43,009
	-----	-----
	364,125	462,861
	=====	=====

The average monthly number of employees during the year was	9	13
	=====	=====

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

The Key Management Personnel are defined as the CEO in the current year. In the prior year this also included the interim CEO and the interim head of operations. The aggregate remuneration of key management personnel in the year including employers NI and pension contributions was £68,866 (2024: £186,187).

10. Tangible fixed assets	Plant and machinery	Computer equipment	Totals
	£	£	£
Cost			
At 1 April 2024	2,494	25,526	28,020
Additions	-	24,384	24,384
	-----	-----	-----
At 31 March 2025	2,494	49,910	52,404
	-----	-----	-----
Depreciation			
At 1 April 2024	2,494	25,446	27,940
Charge for the year	-	1,885	1,885
	-----	-----	-----
At 31 March 2025	2,494	27,331	29,825
	-----	-----	-----
Net book value			
At 31 March 2025	-	22,579	22,579
	=====	=====	=====
At 31 March 2024	-	80	80
	=====	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

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.

	2025 £	2024 £
Aggregate share capital and reserves	1	1
	=====	=====

12. Debtors: amount falling due within one year

	2025 £	2024 £
Monies held by payroll agents	-	298,265
Prepayments and accrued income	62,755	2,513
	-----	-----
	62,755	300,778
	=====	=====

13. Creditors: amounts falling due within one year

	2025 £	2024 £
Creditors	50,643	54,471
Accrued expenses	41,577	24,428
Other creditors	12,489	732
	-----	-----
	104,709	79,901
	=====	=====

14. Analysis of net assets between funds	Un- restricted Funds £	Restricted Funds £	2025 Total Funds £	2024 Total Funds £
Fixed assets	22,580	-	22,580	1,662
Net current assets	81,683	423,084	504,767	427,212
Pension liability	-	-	-	(329)
	-----	-----	-----	-----
	104,263	423,084	527,347	428,454
	=====	=====	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

	At 1 April 2024 £	Income £	Expend- iture £	Unrealised Gains/ (losses) and transfers £	At 31 March 2025 £
15. Movement in funds					
Unrestricted					
General fund	391,186	10,191	(297,144)	-	104,263
	-----	-----	-----	-----	-----
Restricted					
Access to Elected Office	67,561	978,002	(607,255)	-	438,337
Social Care Scotland	7,683	30,781	(53,718)	-	(15,254)
Access to Work	75,244	1,008,783	(660,943)	-	423,083
	-----	-----	-----	-----	-----
	466,430	1,018,974	958,057	-	527,346
	=====	=====	=====	=====	=====

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

	At 1 April 2023 £	Income £	Expend- iture £	Unrealised Gains/ (losses) and transfers £	At 31 March 2024 £
Movement in funds					
Unrestricted					
General fund	303,493	836,035	(805,047)	57,934	391,186
	-----	-----	-----	-----	-----
Restricted					
Access to Elected Office	-				
Social Care Scotland	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)	57,934	75,244
	-----	-----	-----	-----	-----
	338,399	1,054,175	(926,144)	-	466,430
	=====	=====	=====	=====	=====

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

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) and increasing by 3% 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) and increasing by 3% each on 1st April
From 1 April 2019 to 30 September 2027	£136,701 per annum	(payable monthly) and increasing by 3% 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	2025 £	2024 £	2023 £
Present value of provision	-	329	2,187
	=====	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

16. Employee benefit obligations (continued)

Reconciliation of provision & income and expenditure impact	2025 £	2024 £
Provision at start of the year	329	2,187
Deficit contribution paid	329	(1,920)
Unwinding of the discount factor (interest expense)	-	62
Remeasurements - impact of any changes in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Income and expenditure account	-	62
Provision at end of the year	-	329
	=====	=====

Income and expenditure impact

	Period Ending 31 March 2025 (£s)	Period Ending 31 March 2024 (£s)
Interest expense		62
Remeasurements – impact of any change in assumptions		-
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	2025 % per annum	2024 % per annum	2023 % per annum
Rate of discount	=====	4.90 =====	5.40 =====

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 £_____ (2024: £28,187)

There were contributions due to the fund at 31 March 2025 of £850 (2024: £nil).

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

17. Related party disclosures

Re-imbursement of Trustee expenses during the year amounted to £11,982 (2024: £11,529).