

**Registered Company Number: SC243492 (Scotland)**  
**Registered Charity Number: SC031619**

**Inclusion Scotland**

**Report of the Trustees and Financial Statements**

**For the year ended 31 March 2019**

# **Inclusion Scotland**

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

**For the year ended 31 March 2019**

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**Inclusion Scotland  
Report of the Trustees  
For the year ended 31 March 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity and its subsidiary for the year ended 31 March 2019. 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) (effective 1 January 2015).

The charity has its registered Head Office at 22-24 Earl Grey Street, Edinburgh EH3 9BN. It also has desk-space at Brunswick House, 51 Wilson Street, Glasgow G1 1UZ and at Fairways House, Fairways Business Park, Slackbuie Avenue, Inverness IV2 6AA.

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 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, capacity building, engagement and information 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/ public life, including to become elected politicians.

It is important to note that the funding year for our work is no longer aligned with the financial year. Most of our funding runs from July to June, whereas the financial year runs from April to March. This means that underspends and overspends shown in these audited accounts for the financial year 2018/ 19 cannot be taken to indicate that expenditure is off track.

**Objects, outcomes and activities**

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

- 4.1 To promote the benefit and relieve the needs of persons within Scotland who are disabled and in furtherance thereof the company shall seek:
- 4.2 To assist and support individuals, local, regional and national groups working on disability related issues.
- 4.3 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.
- 4.4 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.

## **Objects, outcomes and activities (continued)**

### **Outcomes and activities**

The organisation's outcomes for the year were framed with reference to the priorities of disabled people, as established via engagement events, and of our funders, in particular our core funder, the Scottish Government's Equality Unit. In each case, a series of activities were identified through which to deliver those outcomes, along with monitoring and evaluation methods that would enable us to measure progress. Our core main grant business plan outcomes and activities, below, form an overarching framework for all our work, with separately funded projects enabling key areas of activity to be further developed.

**Outcome 1: 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 debates.
- **Engagement structures:** We will make best use of existing engagement infrastructure and explore scope to expand and strengthen it.
- **Social isolation and reaching the least heard people:** We will involve disabled people in Scottish Government's work to tackle social isolation and promote an inclusive Scotland. We will seek to reach the least heard disabled people, including continuing our work on intersectionality.
- **Capacity-building and development:** We will explore the support and capacity building needs of disabled people and DPOs and take/ develop action to address them where we can, and as appropriate. We will develop resources to support engagement activities:
- **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.

**Outcome 2: 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 the new Scottish social security system as a key priority.
- **Reserved benefits:** We will continue to 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.

## **Objects, outcomes and activities (continued)**

### **Outcomes and activities (continued)**

- **Tackling the employment gap:** We will seize opportunities for action to remove barriers to disabled people's employment.
- **Creating opportunities through our work:** We will explore whether there is scope to involve more disabled people in our work as a means of increasing their experience and capacity.

**Outcome 3: Support services, housing and transport promote independent living: Services, housing and transport are designed and developed that support disabled people to have choice and control over their lives, freedom to live and to go where they want, all as necessary to achieve independent living.**

- **Support to activities on social care support:** We will provide support and advice, as necessary to support and the new People-led Policy project and make use of opportunities to add additional value.
- **Drive forward action on accessible housing**
- **Support others leading on accessible transport:** We will support the work of transport leads where we can add value and as our resources permit.

**Outcome 4: Protecting, 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 so that they receive fair treatment at all times.**

- **Human rights:** We will build on the UN Committee's examination of progress on UNCRPD, support the implementation of the Scottish Government's UNCRPD delivery plan, spread awareness of human rights, and embed them into policy and practice.
- **Brexit:** We will do what we can to ensure that disabled people and DPOs in Scotland are not adversely affected by the UK's withdrawal from the European Union and that any scope for improvements is identified and seized.
- **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.
- **Access to justice:** We will promote action to remove the barriers that impede or prevent disabled people's access to justice and explore ways to boost disabled people's confidence to seek redress.

**Outcome 5: Developing and strengthening our work and our organisation**

- **Strengthening policy work and developing solutions**
- **Governance and management**
- **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**
- **Premises:** We will strive to ensure that our premises are fully accessible and appropriate to our needs.

**Inclusion Scotland**  
**Report of the Trustees (continued)**  
**For the year ended 31 March 2019**

**Achievement and performance**

**Charitable activities**

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

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 Annual Report, to be published in October 2019.

**Funding**

Inclusion Scotland applied for Scottish Government Equality Unit funding for the period 2017-2020. There were two awards made: one being the core main grant and the other encompassing concerning the 'APPLE' projects described below (excepting the Access to Elected Office Fund which is funded by Scottish Government Empowering Communities Fund) and the Localisation and Empowerment project. Both were awarded initially for the first year and provisionally for subsequent years during that period. The funding year run from July to June, so is not aligned to the financial year covered by this report (1 April 2018 - 31 March 2019).

During the period covered by this report, in addition to core funding, we received additional funding from the Equality Unit, or administered via the Equality Unit, for the following projects:

- **The 'Access to Politics, Public Life and Employment' (APPLE) projects which include –**
  - The Access to Elected Office Fund Scotland' which aims to level the playing field for those disabled people seeking to become candidates at the 2021 Scottish Parliament elections, and by-elections, by meeting their extra impairment or disability-related costs.
  - The 'Access to Politics' project which provides advice and support to disabled people wanting to participate in party politics and to political parties around improving access.
  - The 'WeCanWork' Internships' scheme, placing disabled people with third and public sector bodies throughout Scotland. Seed-corn funding was also agreed to enable exploration of the scope to role this out to the private sector on a fee-paying basis.
  
- **The 'Local Policy and Engagement' project in the Highlands**, which supports local disabled people, Disabled People's Organisations and others to increase disabled people's participation in local decision-making, promotes the establishment of local DPOs, and extends Inclusion Scotland's reach.

In addition, we received funding from other sources as follows:

- We received funding from the Social Care Division of Scottish Government to support our "People-led Policy" project, which works to support the engagement of disabled people in leading on development of Social Care policy.
- We continued to receive funding from the Big Lottery Fund as one of four nation

## **Achievement and performance (continued)**

partners working together to promote research into independent living through the Disability Research on Independent Living and Learning (DRILL) programme. Our partners are Disability Rights UK, Disability Wales and Disability Action Northern Ireland. The latter is the grant-holder. The overall value of the grant is £5mn, to fund a 5-year programme.

- We, as one of the DRILL partners, have now been awarded funding from the DRILL programme to carry out research across the 4 UK nations on the subject of changing attitudes. Inclusion Scotland is the lead partner for the research and is carrying out research in Scotland on changing attitudes of service designers and deliverers which underpin discrimination experienced by disabled people with other characteristics.
- In addition, we generated some fee-based income through 'Real Inclusion', our wholly owned trading subsidiary.

We are very grateful to the Scottish Government's for its continued support and to the Big Lottery Fund for funding the DRILL programme and DRILL four-nation partners' research project.

## **Financial review**

### **Reserves policy**

It is the policy of the charity to maintain funds at a level which provides sufficient funds to cover management administration and support costs for a period of three months. In view of the rapid expansion of the organisation and the move to new premises there is more to do to meet this goal. The trustees are aware of this situation and action is to be taken to address this, including the development of a fundraising strategy and proposals to develop Real Inclusion Ltd, Inclusion Scotland's trading subsidiary.

## **Future plans**

It is unusually difficult this year to set out future plans with certainty, given the unknowns around Brexit, the impact on disabled people and the Scottish budget, and the possibility of an independence referendum. That aside, we expect the major focus for our policy work to remain on the new devolved Social Security System, notably with regard to Disability Assistance. Other key areas will be supporting the People-led Policy Panel's work Adult Social Care Reform, work on the national cross-tenure accessible housing target and supporting the work of the new 'justice hub'. We will continue to monitor and evaluate the Scottish Government's implementation of its 'A Fairer Scotland for Disabled People' Delivery Plan, and action at UK and Scottish Government level on the UN Committee's Concluding Observations on action that must be taken to progress disabled people's human rights. There will be follow-up action on the Disability Employment Gap Action Plan and Inclusion Scotland will continue to play its part via internship placements, not just in third and public sectors but through taking action to role out support and internships to private sector organisations on a fee-paying basis.

With elections on the horizon, work will also commence on developing a manifesto, setting out disabled people's key asks. In line with this, we expect demand on the

## **Future plans (continued)**

Access to Elected Office Fund to increase, as parties select their candidates for the Scottish Parliament election in 2021. We will continue and hope to develop further our work on 'lived experience leadership' and influencing skills. This is likely to be the theme for our annual conference and Highland Summit in the forthcoming financial year.

In terms of how we operate as an organization, a key priority will be to grow our membership, develop our offer to our members and do more to ensure they are placed at the centre of what we do. We will implement a localization strategy to expand and deepen the reach of our work across Scotland and so we can better represent and relay the voices of Scottish disabled people. Our Highland project has been a source of much learning and we will continue supporting the Disability Highland Community of Practice to establish a Highland-wide Disabled People's Organization. Our work on intersectional discrimination in services will further increase understanding of what all disabled people need to be included. This will report as part of the DRILL 4-nations research on changing attitudes and the DRILL programme of funded research will be drawing to a close. It will be vital to ensure the valuable learning arising from the programme is widely disseminated and embedded.

Finally, the end of the 2018/19 financial year saw us move to new accessible premises. There will be much to do to get everything into place. This includes exploring scope to rent out space for meetings or sub-lets. A comprehensive fundraising strategy is in development and the need to diversify our funding base is pressing in view of future uncertainties.

## **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). Where the number of nominees exceeds the number of places available in each case, an election is held at the Annual General Meeting.

The Board of trustees meets approximately four times a year. Two subcommittees also meet quarterly between Board meetings: Policy and Research, and Resources.

The Constitution allows for 7 elected members and 5 co-opted places. Following the AGM in October 2018, 7 elected members were in place. Five co-options were then made. There were three office bearers - Convenor, Vice Convenor, and Treasurer. The Company Secretary is a member of the staff team (Deputy Chief Executive Officer).

### **Organisational structure**

During the 2018-19 year Inclusion Scotland was structured into the following teams:



**Inclusion Scotland**  
**Report of the Trustees (continued)**  
**For the year ended 31 March 2019**

**Structure, governance and management (continued)**

- Management team
- Engagement and Communications team
- Access to Politics, Public Life and Employment (APPLE) team
- Local Policy and Engagement team then People-led Policy team from July 2018
- Independent Living in Scotland team

There were also two cross-cutting teams: Policy team and Administration team, and cross-organisational meetings on engagement.

Staff members were:

- John Beaton (Highland Policy and Engagement Officer)
- Janice Campbell (Admin Support Assistant from January 2019)
- Michelle Fisher (Employability Officer until January 2019)
- Heather Fiskin (Independent Living in Scotland Team Manager)
- Susie Fitton (Independent Living in Scotland Policy Officer)
- Deirdre Henderson (People-led Policy (Social Care Support) Officer from July 2018)
- Sue Kelly (Engagement and Communication Team Manager)
- Piera Heras (Finance Administrator until March 2019)
- Josie Isles (DRILL Programme Officer)
- Rebecca McGregor (Policy and Research Officer from February 2019)
- Phyl Meyer (APPLE Team Manager)
- Pauline Nolan (Policy and Localisation Team Manager then People-led Policy Team Manager from July 2018)
- April O'Neil (Membership Secretary and CEO Support until November 2018 the Membership Secretary and People-led Policy Project Admin Support Worker from Oct. 2017)
- Stuart Pyper (Employability and Civic Participation Team Assistant)
- Bill Scott (Director of Policy and Deputy Chief Executive Officer)
- Janice Sheridan (Core Administrator and CEO Support until February 2019 then Core Administrator and Events Worker)
- Iain Smith (Parliamentary and Public Affairs Officer)
- Rosalind Tyler-Grieg (Policy and Research Officer until January 2019)
- Naomi Waite (Employability Worker until February 2019 then Acting Employability Officer)
- Kirsty Watters (Leadership Development Assistant from January 2019)
- Rhona Willder (Communications and Information Worker)
- Alex Wilson (Employment Officer Private Sector from January 2019)
- Sally Witcher (Chief Executive Officer)
- Ethan Young (Civic Participation Officer)
- Jennifer Young (Independent Living in Scotland Administrator until August 2018)

**Membership**

Inclusion Scotland's membership numbers dropped last year as a consequence of tidying up our database and the need to comply with GDPR legislation. This year's figures show an increase from 501 to 573. Growing our membership will be a priority for the next year.

## **Structure, governance and management (continued)**

Full member organisations (Disabled People's Organisations – led by disabled people)	42
Individual members (disabled people):	389
Affiliate members (disability organisations working with disabled people but not led by them):	61
Associate members (organisations that are not disability organisations of any kind and non-disabled individuals)	81
	-----
<b>Total Membership:</b>	<b>573</b>
	=====

In addition to our membership, we reach a large number of organisations and individuals, through our networks and communications, notably our weekly e-bulletin.

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

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

### **Risk management**

The risk register is reviewed regularly. The trustees continue to operate established systems for risk management and mitigation, notably through receiving regular status reports on risks included in the register, with explanations for changes in scores and proposals for additional mitigating action, as necessary.

### **Pay policy for senior staff**

The trustees consider that the board of trustees, who are the charity'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 8 to the accounts.

Senior staff pay scales are benchmarked against SJC pay grades where possible. However, the trustees recognize that senior staff pay may not have kept pace with the expansion of their responsibilities that has accompanied the growth of the organisation. It has therefore been agreed that an independent review of staff pay will be carried out in the next year.

### **Subsidiary trading company**

Real Inclusion Limited is a company registered in Scotland and its principal activity is to raise income for Inclusion Scotland. Trustees Mr D Kelter, Mr T Robinson and Ms N Birney are its directors. Mr W Scott is its company secretary.

## **Reference and administrative details**

**Registered Company number**  
SC243492 (Scotland)

**Inclusion Scotland**  
**Report of the Trustees (continued)**  
**For the year ended 31 March 2019**

**Reference and administrative details (continued)**

**Registered Charity number**  
SC031619

**Registered office**  
22-24 Earl Grey Street  
Edinburgh  
EH3 9BN

**Trustees**

Mr C Baird (Vice-Convenor)  
Ms N Birney (Treasurer)  
Ms T Burke  
Dr J Elder-Woodward  
Mr D Kelter  
Ms I Paterson  
Mr T Robinson (Convenor)  
Dr Kirstein Rummery  
Mr A Tubb  
Mr R McMullan  
Mr K Tomory  
Ms G Lawrence (appointed 2 October 2018)

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**  
Dr S Witcher

**Company Secretary**  
Mr W Scott

**Auditors**  
Chiene + Tait LLP  
Chartered Accountants and Statutory Auditors  
61 Dublin Street  
Edinburgh  
EH3 6NL

**Bankers**  
Bank of Scotland  
8 Lochside Avenue  
Edinburgh  
EH12 9DJ

## **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 group's auditor is unaware, and
- the trustees, having made enquiries of fellow trustees and the group'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 \_\_\_\_\_ 2019 and signed on its behalf by:

..... Mr T Robinson – Convenor

## **Report of the independent auditors to the trustees of Inclusion Scotland**

### **Opinion**

We have audited the consolidated and parent charitable company's financial statements of Inclusion Scotland for the year ended 31 March 2019 on pages 14 to 28. 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 group and parent charitable company's affairs as at 31 March 2019 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**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the 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.

## **Report of the independent auditors to the trustees of Inclusion Scotland (continued)**

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 set out on page nil, 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.

## **Report of the independent auditors to the trustees of Inclusion Scotland (continued)**

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

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.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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  
Chiene + Tait LLP  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
EDINBURGH  
EH3 6NL

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2019

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

**INCLUSION SCOTLAND**

**CONSOLIDATED STATEMENT of FINANCIAL ACTIVITIES  
(Incorporating an Income and Expenditure Account)**

**For the year ended 31 March 2019**

	Notes	Un- restricted Funds £	Restricted Funds £	2019 Total Funds £	2018 Total Funds £
<b>Income and Endowments from:</b>					
Charitable income	2	445,839	-	445,839	497,602
<b>Charitable activities</b>					
Project activities	3	-	595,946	595,946	521,215
<b>Other trading activities</b>					
Commercial trading operations		75	-	75	5,338
Other income		5,732	-	5,732	21,983
<b>Total</b>		<b>451,646</b>	<b>595,946</b>	<b>1,047,592</b>	<b>1,046,138</b>
<b>Expenditure on:</b>					
<b>Costs of raising funds</b>					
Commercial trading operations		-	-	-	-
<b>Charitable activities</b>					
General activities	4	502,557	493,942	996,499	913,351
<b>Total</b>		<b>502,557</b>	<b>493,942</b>	<b>996,499</b>	<b>913,351</b>
<b>Net income/(expenditure)</b>		<b>(50,911)</b>	<b>102,004</b>	<b>51,093</b>	<b>132,787</b>
<b>Transfer between funds</b>		-	-	-	-
		(50,911)	102,004	51,093	132,787
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses)		22,306	-	22,306	(160)
<b>Net movement in funds</b>		<b>(28,605)</b>	<b>102,004</b>	<b>73,399</b>	<b>132,627</b>
<b>Reconciliation of Funds</b>					
Total funds brought forward		<b>75,877</b>	<b>178,665</b>	<b>254,542</b>	121,915
<b>Total Funds Carried Forward</b>		<b>47,272</b>	<b>280,669</b>	<b>327,941</b>	<b>254,542</b>

All income and expenditure has arisen from continuing activities.

The notes on pages 19 to 28 form part of these financial statements.



**INCLUSION SCOTLAND**

**CHARITY STATEMENT of FINANCIAL ACTIVITIES  
(Incorporating an Income and Expenditure Account)**

**For the year ended 31 March 2019**

	Notes	Un- restricted Funds £	Restricted Funds £	2019 Total Funds £	2018 Total Funds £
<b>Income and Endowments from:</b>					
Donations and legacies	2	445,839	-	445,839	503,208
<b>Charitable activities</b>					
Project activities	3	-	595,946	595,946	521,215
Other income		5,807	-	5,807	21,715
<b>Total</b>		<b>451,646</b>	<b>595,946</b>	<b>1,047,592</b>	<b>1,046,138</b>
<b>Expenditure on:</b>					
<b>Charitable activities</b>					
General activities	4	502,557	493,942	996,499	913,351
<b>Total</b>		<b>502,557</b>	<b>493,942</b>	<b>996,499</b>	<b>913,351</b>
<b>Net income/(expenditure)</b>		<b>(50,911)</b>	<b>102,004</b>	<b>51,093</b>	<b>132,787</b>
<b>Transfer between funds</b>		-	-	-	-
		(50,911)	102,004	51,093	132,787
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses)		22,306	-	22,306	(160)
<b>Net movement in funds</b>		<b>(28,605)</b>	<b>102,004</b>	<b>73,399</b>	<b>132,627</b>
<b>Reconciliation of Funds</b>					
Total funds brought forward		<b>75,877</b>	<b>178,665</b>	<b>254,542</b>	121,915
<b>Total Funds Carried Forward</b>		<b>47,272</b>	<b>280,669</b>	<b>327,941</b>	254,542

All income and expenditure has arisen from continuing activities.

The notes on pages 19 to 28 form part of these financial statements.

**INCLUSION SCOTLAND**

**CONSOLIDATED BALANCE SHEET**

**At 31 March 2019**

	Notes	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
<b>Fixed Assets</b>					
Tangible assets	10	11,697	11,697	2	2
Investments	11	-	1	-	1
		-----	-----	-----	-----
		11,697	11,698	2	3
<b>Current Assets</b>					
Debtors	12	20,733	37,071	33,078	47,341
Cash in hand		355,427	339,088	285,945	271,681
		-----	-----	-----	-----
		376,160	376,159	319,023	319,022
<b>Creditors:</b> Amounts falling due within one year	13	(42,258)	(42,258)	(20,917)	(20,917)
		-----	-----	-----	-----
<b>Net Current Assets</b>		<b>333,902</b>	<b>333,901</b>	298,106	298,105
		-----	-----	-----	-----
Total Assets less Current Liabilities		<b>345,599</b>	<b>345,599</b>	298,108	298,108
Pension Liability	16	(17,658)	(17,658)	(43,566)	(43,566)
		-----	-----	-----	-----
Net Assets		<b>327,941</b>	<b>327,941</b>	254,542	254,542
		=====	=====	=====	=====
<b>Funds</b>					
Unrestricted funds	15	47,272	47,272	75,877	75,877
Restricted funds		280,669	280,669	178,665	178,665
		-----	-----	-----	-----
		327,941	327,941	254,542	254,542
		=====	=====	=====	=====

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Trustees on \_\_\_\_\_ 2019 and were signed on its behalf by:

.....  
Mr T Robinson  
Convenor

**INCLUSION SCOTLAND**

**CONSOLIDATED CASH FLOW STATEMENT**

**For the year ended 31 March 2019**

	Notes	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
<b>Cash flows from operating activities</b>	1				
Cash generated from operations		85,968	83,893	72,706	74,706
Pension deficit contributions		(3,602)	(3,602)	(3,498)	(3,498)
<b>Net cash provided by (used in) operating activities</b>		82,366	80,291	69,208	71,208
<b>Cash flows from financing activities</b>					
Loan to group undertaking		-	-	-	(5,606)
<b>Net cash provided by (used in) financing Activities</b>		-	-	-	(5,606)
<b>Cash flows from investing activities</b>					
Payments to acquire tangible fixed assets		(12,884)	(12,884)	-	-
<b>Net cash provide by (used in) operating activities</b>		(12,884)	(12,884)	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		69,482	67,407	69,208	65,602
Cash and cash equivalents at the beginning of the reporting period		285,945	271,681	216,737	206,079
<b>Cash and cash equivalents at the end of the reporting period</b>		355,427	339,088	285,945	271,681

The notes on pages 19 to 28 form part of these financial statements.

**INCLUSION SCOTLAND****NOTES to the CONSOLIDATED CASH FLOW STATEMENT****For the year ended 31 March 2019****1. Reconciliation of Net Income/(Expenditure) To Net Cash Flow From Operating Activities**

	<b>Group 2019</b>	<b>Charity 2019</b>	<b>Group 2018</b>	<b>Charity 2018</b>
	£	£	£	£
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	51,093	51,093	132,787	132,787
<b>Adjustments for:</b>				
Depreciation charges	1,189	1,189	155	155
(Increase)/decrease in debtors	12,345	10,270	28,070	30,070
Increase/(decrease) in creditors	21,341	21,341	(88,306)	(88,306)
	-----	-----	-----	-----
	85,968	83,893	72,706	74,706
	=====	=====	=====	=====

**2. Analysis of Cash and Cash Equivalents**

Cash in hand	355,427	339,088	285,945	271,681
	=====	=====	=====	=====

# INCLUSION SCOTLAND

## NOTES to the FINANCIAL STATEMENTS

### For the year ended 31 March 2019

#### 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) (effective 1 January 2015) - (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 areas of adjustment and key assumptions that effect items in the financial statements are to do with estimating the pension liability in the accounts. 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.

##### **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary Real Inclusion Limited on a line-by-line basis.

##### **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.

## INCLUSION SCOTLAND

### NOTES to the FINANCIAL STATEMENTS (continued)

#### For the year ended 31 March 2019

#### 1. Accounting Policies (continued)

##### **Income (continued)**

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.

##### **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 is classified under the following activity headings:

- Costs of raising funds comprise the costs of its commercial trading subsidiary and their associated support costs.
- 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. The bases on which support costs have been allocated are set out in note 5.

##### **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

##### **Related party exemption**

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

##### **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.

## INCLUSION SCOTLAND

### NOTES to the FINANCIAL STATEMENTS (continued)

#### For the year ended 31 March 2019

#### 1. Accounting Policies (continued)

##### **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.

##### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### **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 2019**

<b>2. Donations and Legacies</b>	<b>Group 2019</b>	<b>Charity 2019</b>	<b>Group 2018</b>	<b>Charity 2018</b>
	£	£	£	£
Donations	-	-	-	5,606
Scottish Government core funding	414,500	414,500	414,500	414,500
Cost contribution	-	-	34,416	34,416
Department of Work and Pensions	31,339	31,339	48,686	48,686
	-----	-----	-----	-----
	445,839	445,839	497,602	503,208
	=====	=====	=====	=====
<b>3. Income from Project Activities</b>			<b>2019</b>	<b>2018</b>
			£	£
<b>Activity</b>				
Grants: Project activities			514,864	449,183
Grants: Disability Research on Independent Living and Learning			81,082	72,032
			-----	-----
			595,946	521,215
			=====	=====
			<b>2019</b>	<b>2018</b>
			£	£
Grants received, included in the above, are as follows:				
Scottish Government			514,864	440,183
Big Lottery Fund			81,082	72,032
Equality and Human Rights Commission			-	9,000
			-----	-----
			595,946	521,215
			=====	=====
<b>4. Charitable Activities Costs</b>		<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total Costs</b>
		£	£	£
			(See note 5)	
General activities		976,402	20,097	996,499
		=====	=====	=====
<b>5. Support Costs</b>	<b>Group 2019</b>	<b>Charity 2019</b>	<b>Group 2018</b>	<b>Charity 2018</b>
	£	£	£	£
<b>Human resources</b>				
Recruitment costs	2,743	2,743	713	713
<b>Governance costs</b>				
Auditors remuneration	4,500	4,500	2,000	2,000
Auditors remuneration – non audit work	2,400	2,400	8,500	8,500
Legal and professional fees	10,454	10,454	1,710	1,710
<b>Other</b>	-	-	19,730	19,730
	-----	-----	-----	-----
	20,097	20,097	32,653	32,653
	=====	=====	=====	=====



**INCLUSION SCOTLAND**

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

**For the year ended 31 March 2019**

<b>6. Net income/(expenditure)</b>	<b>Group 2019</b>	<b>Charity 2019</b>	<b>Group 2018</b>	<b>Charity 2018</b>
	£	£	£	£

Net income/(expenditure) is stated after charging/(crediting):

Auditor's remuneration	4,500	4,500	2,000	2,000
Non-audit services	2,400	2,400	8,500	8,500
Depreciation	1,189	1,189	155	155
	=====	=====	=====	=====

**7. Trustees' Remuneration and Benefits**

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

**Trustees' expenses**

The trustees are reimbursed only for expenses necessarily incurred in connection with the charity's activities. The amount reimbursed during the year to 31 March 2019 was £4,505 (2018: £3,496).

<b>8. Staff Costs</b>	<b>2019</b>	<b>2018</b>
	£	£
Wages and salaries	639,149	551,015
Social security costs	55,806	49,626
Other pension costs	57,123	43,798
	-----	-----
	752,078	644,439
	=====	=====

The average monthly number of employees during the year was	21	22
	=====	=====

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

During busy periods such as conferences and events, the company may use, on a temporary basis, agency staff to assist with administration.

The key management personnel of the group are the Chief Executive Officer and Deputy Chief Executive whose employee benefits total £103,725 (2018: £100,837).

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2019

9. Comparatives for the Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>Income and endowments from:</b>			
Donations and legacies	503,208	-	503,208
<b>Charitable activities</b>			
General activities	16,432	504,783	521,215
Other income	3,171	18,544	21,715
<b>Total</b>	<u>522,811</u>	<u>523,327</u>	<u>1,046,138</u>
<b>Expenditure on:</b>			
<b>Charitable activities</b>			
General activities	522,972	390,379	913,351
<b>Total</b>	<u>522,972</u>	<u>390,379</u>	<u>913,351</u>
<b>Net Income/(Expenditure)</b>	(161)	132,948	132,787
Transfers between funds	42,743	(42,743)	-
	<u>42,582</u>	<u>90,205</u>	<u>132,787</u>
<b>Other recognised gains/(losses)</b>			
Actuarial losses	(160)	-	(160)
<b>Net movement in funds</b>	<u>42,422</u>	<u>90,205</u>	<u>132,627</u>
<b>Reconciliation of Funds</b>			
Total funds brought forward	33,455	88,460	121,915
<b>Total funds carried forward</b>	<u>75,877</u>	<u>178,665</u>	<u>254,542</u>

10. Tangible fixed assets	Tenant Improve- ments £	Plant and machinery £	Computer equipment £	Totals £
<b>Cost</b>				
At 1 April 2018	-	3,330	8,525	11,855
Additions	3,189	3,234	6,462	12,884
Disposals	-	(56)	(8,525)	(8,581)
At 31 March 2018	<u>3,189</u>	<u>6,508</u>	<u>6,462</u>	<u>16,158</u>
<b>Depreciation</b>				
At 1 April 2018	-	3,330	8,523	11,853
Charge for year	12	-	1,177	1,189
Elimination on Disposal	-	(56)	(8,525)	(8,581)
At 31 March 2018	<u>12</u>	<u>3,274</u>	<u>1,175</u>	<u>4,461</u>
<b>Net book value</b>				
At 31 March 2019	<u>3,177</u>	<u>3,234</u>	<u>5,287</u>	<u>11,697</u>
At 31 March 2018	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

**INCLUSION SCOTLAND**

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

**For the year ended 31 March 2019**

**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) and pays all of its profits to charity under the gift aid scheme. Real Inclusion Limited raises income for its parent charitable company.

	<b>2019</b>	<b>2018</b>
	£	£
Turnover	75	5,338
Other income	-	268
Cost of sales and administration costs	(75)	-
Donation to the parent charity	-	(5,606)
	-----	-----
Net profit/(loss)	-	-
	=====	=====
The assets and liabilities of the subsidiary were:		
Current assets	16,339	16,264
Current liabilities	(16,338)	(16,263)
	-----	-----
Total net assets	1	1
	=====	=====
Aggregate share capital and reserves	1	1
	=====	=====

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	£	£	£	£
<b>12. Debtors:</b> amount falling due within one year				
Debtors	780	780	23,279	21,279
Monies held by payroll agents	7,956	7,956	5,200	5,200
Prepayments and accrued income	11,997	11,997	4,599	4,599
Loan to group undertaking	-	16,338	-	16,263
	-----	-----	-----	-----
	20,733	37,071	33,078	47,341
	=====	=====	=====	=====

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	£	£	£	£
<b>13. Creditors:</b> amounts falling due within one year				
Creditors	27,661	27,661	10,025	10,025
Accrued expenses	14,597	14,597	10,892	10,892
	-----	-----	-----	-----
	42,258	42,258	20,917	20,917
	=====	=====	=====	=====

**Movement on Deferred income**

Deferred income brought forward	-	-	4,500	4,500
Released in the year	-	-	(4,500)	(4,500)
Deferred in the year	-	-	-	-
	-----	-----	-----	-----
Deferred income carried forward	-	-	-	-
	=====	=====	=====	=====

# INCLUSION SCOTLAND

## NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2019

### 14. Analysis of group net assets between funds

	Un- Restricted Funds £	Restricted Funds £	2019 Total Funds £	2018 Total Funds £
Fixed assets	11,697	-	11,697	2
Current assets	95,491	280,669	376,160	319,023
Current liabilities	(42,258)	-	(42,258)	(20,917)
Pension liability	(17,658)	-	(17,658)	(43,566)
	-----	-----	-----	-----
	47,272	280,669	327,941	254,542
	=====	=====	=====	=====

15. Movement in funds	A1 1 April 2018 £	Income £	Ex- penditure £	Unrealised and transfers £	At 31 March 2019 £
<b>Unrestricted</b>					
General fund (Core & ILIS)	75,877	451,646	(502,557)	22,306	47,272
	-----	-----	-----	-----	-----
<b>Restricted</b>					
APPLE/LE	89,888	422,349	(343,098)	(31,024)	138,115
DRILL	22,321	54,718	(63,513)	-	13,526
DRILL Four Nation Project	422	68,879	(17,612)	-	51,689
Access to Elected Office	42,510	50,000	(48,957)	-	43,553
Access to Politics	2,561	-	-	(2,561)	-
Public Life	20,963	-	(7,387)	(13,576)	-
Private Sector Interns	-	-	(13,375)	47,161	33,786
	-----	-----	-----	-----	-----
	178,665	595,946	(493,942)	-	280,669
	-----	-----	-----	-----	-----
	254,542	1,047,592	(996,499)	22,306	327,941
	=====	=====	=====	=====	=====

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

### 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 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 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.

# INCLUSION SCOTLAND

## NOTES to the FINANCIAL STATEMENTS (continued)

### For the year ended 31 March 2019

#### 16. Employee benefit obligations (continued)

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

#### Deficit Contributions

From 1st April 2019 to 30th September 2026	£1,500,000 per annum	(payable monthly) and increasing by 3% each on 1st April
From 1st April 2019 to 31st March 2024	£82,000 per annum	(payable monthly) and increasing by 3% each on 1st April

Unless a concession has been agreed with the Trustee the term to 30 September 2026 applies.

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.

<b>Present values of provision</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	£	£	£
Present value of provision	17,658	43,566	46,904
	=====	=====	=====
<b>Reconciliation of provision &amp; income and expenditure impact</b>		<b>2019</b>	<b>2018</b>
		£	£
Provision at start of the year		43,566	46,904
		-----	-----
Deficit contribution paid		(3,602)	(3,498)
		-----	-----
Unwinding of the discount factor (interest expense)		840	792
Remeasurements - impact of any changes in assumptions		356	(632)
Remeasurements - amendments to the contribution schedule		(23,502)	-
		-----	-----
Income and expenditure account		(22,306)	160
		-----	-----
Provision at end of the year		17,658	43,566
		=====	=====
		<b>2019</b>	<b>2018</b>
		%	%
<b>Assumptions</b>		<b>per annum</b>	<b>per annum</b>
			<b>per annum</b>
Rate of discount	1.46	2.01	1.76
	=====	=====	=====

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.

## INCLUSION SCOTLAND

### NOTES to the FINANCIAL STATEMENTS (continued)

#### For the year ended 31 March 2019

#### 16. Employee benefit obligations (continued)

##### 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 £60,522 (2018 - £43,798).

There were no contributions due to the fund at 31 March 2019 (2018 - £nil).

#### 17. Related party disclosures

The charity's subsidiary trading company, Real Inclusion Limited, benefitted from an interest free, unsecured loan from its parent charitable company. The amount outstanding at 31 March 2019 was £16,338 (2018: £16,263).

#### 18. Operating lease commitments

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

	<b>2018</b>	<b>2017</b>
	£	£
Within one year	-	-
Greater than one year and less than five years	243,750	-
Greater than five years	-	-
	-----	-----
Total commitment	243,750	-
	=====	=====

**INCLUSION SCOTLAND**

**DETAILED CHARITY STATEMENT of FINANCIAL ACTIVITIES**

**For the year ended 31 March 2019**

<b><u>Income and Endowments</u></b>	<b>2019</b>	<b>2018</b>
	£	£
<b>Donations and legacies</b>		
Donations	-	5,606
Scottish Government Grants	414,500	414,500
Department of Work and Pensions	31,339	48,686
Cost contribution	-	34,416
	-----	-----
	445,839	503,208
<b>Project activities</b>		
Grants	595,946	521,215
<b>Other income</b>		
	5,807	21,715
	-----	-----
<b>Total incoming resources</b>	<b>1,047,592</b>	<b>1,046,138</b>
	-----	-----
<b><u>Expenditure</u></b>		
<b>Charitable activities</b>		
Wages	639,149	551,015
Social security	55,806	49,626
Pensions	57,123	43,798
Rent	62,584	60,371
Insurance	1,477	1,323
Telephone	2,314	3,368
Postage, stationery and publicity	12,988	22,425
Sundries	8,916	6,571
Temporary staff	1,100	558
Conference expenses	34,649	31,518
Travel and subsistence	37,343	32,859
Training expenses	5,982	5,751
Repairs and maintenance	1,143	11,821
Subscriptions	1,922	540
Interpretation services	2,774	38,525
Staff support	21,411	14,886
Professional fees	15,417	3,359
Management fee	-	3,940
Depreciation of tangible fixed assets	1,189	154
Bank charges	267	-
IT and office equipment	12,848	-
	-----	-----
	976,402	880,698
	-----	-----
<b>Support costs</b>		
Recruitment costs	2,743	713
	-----	-----
<b>Other</b>		
Sundries	-	19,730
	-----	-----
<b>Governance costs</b>		
Auditors' remuneration	4,500	2,000
Auditors' remuneration for non audit work	2,400	8,500
Legal and professional fees	10,454	1,710
	-----	-----
	17,354	12,210
	-----	-----
<b>Total resources expended</b>	<b>996,499</b>	<b>913,351</b>
	-----	-----
<b>Net income</b>	<b>51,093</b>	<b>132,787</b>
	=====	=====