

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

Inclusion Scotland

Report of the Trustees and Financial Statements

For the year ended 31 March 2021

Inclusion Scotland

Report of the Trustees and Financial Statements

For the year ended 31 March 2021

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Inclusion Scotland

Report of the Trustees

For the year ended 31 March 2021

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 2021. 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 charity has its registered Head Office at 22-24 Earl Grey Street, Edinburgh EH3 9BN. It also had a desk space at Brunswick House, 51 Wilson Street, Glasgow G1 1UZ and at Fairways House, Fairways Business Park, Slackbuie Avenue, Inverness IV2 6AA, although due to pandemic home working, this arrangement was under review at the end of the reported year.

Inclusion Scotland is a national membership organisation, led by disabled people (a Disabled People's Organisation - DPO). Its extensive networks span the country. In furtherance of its charitable objects, its mission is to achieve positive changes to policy and practice, so that disabled people are fully included throughout all of Scottish society as equal citizens. We do this by seeking to influence decision-makers; supporting disabled people to be decision-makers themselves; and developing capacity, awareness and engagement. There are several key strands to the delivery of our Core Business, namely policy analysis, 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 financial statements for the financial year 2020/21 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.

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 our funders, in particular our main core funder, the Scottish Government's Equality Unit. 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 core main grant business plan outcomes and activities, below, form an overarching framework, with separately funded projects enabling key areas of activity to be further developed.

**Inclusion Scotland
Report of the Trustees (continued)
For the year ended 31 March 2021**

Outcomes and activities (continued)

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. supporting and capacity-building DPOs and disabled people, and explore how to strengthen national/ local connections and our geographical reach.
- **Engagement structures:** We will make best use of existing engagement infrastructure and explore scope to expand and strengthen it.
- **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.

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.
- **Tackling the employment gap:** We will seize opportunities for action to remove barriers to disabled people's employment.

Outcome 3: Key services are designed and developed that support disabled people to have choice and control over their lives, where they live and the support they need to meet their full potential, as necessary to achieve independent living. Action on climate change, new approaches or services or changes to existing provision, are designed and delivered in ways that do not impact adversely on disabled people.

- **Drive forward action on accessible housing**
- **Investigate key current issues on education:** We will investigate reports on cuts to Additional Support for Learning (ASL) and issues around this and explore the case for mainstream vs segregated education.
- **Investigate specific impact on disabled people of climate change and mitigating action.**
- **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.

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.

Inclusion Scotland

Report of the Trustees (continued)

For the year ended 31 March 2021

Outcomes and activities (continued)

Outcome 5: Developing and strengthening our work and our organisation

- **Governance and management**
- **Review of constitution:** We will review our constitution, including to see if we can strengthen involvement of/ accountability to our members and clarify issues relating to the Board.
- **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 make best use of our new premises.

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 2021.

Funding

Inclusion Scotland successfully 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 the 'APPLE' projects described below (excepting the Access to Elected Office Fund which is funded by Scottish Government Community-led Regeneration Division) 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 that began with the pandemic brought an announcement from the equality unit that the third year of funding from this fund would be extended to September 2021.

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.
- We received funding from **the Big Lottery and the National Lottery Community Fund:**
 - We continued to receive funding from the Big Lottery Fund as one of four nation 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.

Inclusion Scotland

Report of the Trustees (continued)

For the year ended 31 March 2021

Funding (continued)

- As one of the DRILL partners, we were awarded funding from the DRILL programme to carry out research across the 4 UK nations on the subject of changing attitudes. Inclusion Scotland was the lead partner for the research and was carrying out research in Scotland on changing attitudes of service designers and deliverers which underpin discrimination experienced by disabled people with other characteristics. The report was published on the DRILL website.
- We received an extension of funding from the Big Lottery Community Fund for our Lived Experience Leadership project, which needed additional resources and time to work in new ways due to the impacts of the pandemic. The project achieved its aims to co-produce with disabled people and test out options and generate resource materials to promote the leadership of people with lived experience of disability. The project supported 8 disabled people with different leadership training and shadowing opportunities.
- In a coalition of UK DPOs, we successfully received funding from the **National Emergencies Trust** to provide funding to DPOs at the frontline for projects run by Disabled People's Organisations (DPOs) across Scotland to address the impact of the pandemic. These projects covered areas like independent living, isolation, and financial advice. We had twelve applications, and we were able to make 6 small grants to DPOs. In partnership with Foundation Scotland, we also secured funding for a further 4 DPOs.
- We received two branches of funding from the **Scottish Government Social Care Directorate**:
 - We received funding to deliver the People-led Policy Panel on Social Care Support. This is a group of people who need social care support whom we support to co-produce policy on social care support with Scottish Government officials and others.
 - We received supplementary core funding under the title "Team Expansion" towards posts that provide internal organisational support – specifically the Staff Support Officer and the Head of Business Development.
 - In addition, we generated a small amount of fee-based income through our employment-related work, primarily the private-sector focussed expansion of our internship programme and the delivery of training and consultancy. We also received a donation from the estate of an individual who had put an organisation in his will that no longer existed, and the executors felt we were the best fit.

We are very grateful to all our funders.

Financial review

Reserves policy

It is the charity's policy to maintain funds at a level that provides sufficient funds to cover management administration and support costs for a period of three months. Given the rapid expansion of the organisation and the move to new premises, there is still more to do to meet this goal. The trustees are aware of this situation and are addressing this, including implementing a fundraising strategy and proposals to develop Real Inclusion Ltd, Inclusion Scotland's trading subsidiary. The current Covid-19 situation may mean that this will take longer. However, we have secured new funding from the Equality and Human Rights fund for the coming year. We are considering options for accessible office-based and blended home and office working.

Future plans

We will continue to work to ensure that disabled people's equality and human rights, and our lived experience are considered both in responses to the pandemic and in planning for recovery, in various areas; and to highlight the continuing impacts of both pandemic responses and Brexit. With the upcoming COP26, we will focus on the impact of climate change on disabled people and inclusive action to address it. That aside, we expect our work to continue - on developments in devolved Social Security, notably Disability Assistance, Adult Social Care Reform and what comes of the Independent Review led by Derek Feeley; delivery of internships and human rights, in the light of the National Taskforce for Human Rights Leadership Report (2021). We expect demand for the Access to Elected Office Fund to grow with the 2022 Council elections, and new private-sector internships in the pipeline to roll out. At the end of the funding cycle from the Scottish Government, we will apply for further funding to deliver our core work and projects. The governance role of our Board, notably risk management, will continue to be of key importance.

Inclusion Scotland

Report of the Trustees (continued)

For the year ended 31 March 2021

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

The Board of Trustees meets approximately four times a year. 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 2019, 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 (Chief Executive Officer).

Organisational structure

The Chief Executive Officer left the organisation during the year. The organisation took this opportunity to reflect on its successful impact thus far and its current direction and future growth. A restructuring exercise was carried out, focusing on embedding an impact-focused culture, emphasising the importance of close collaboration in a post-pandemic world, and establishing systems and processes to reflect the size and ambitions of the organisation. This resulted in a recruitment process for a new Chief Executive Officer to work, alongside the management team, across three Departments:

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

Membership

Last year's AGM agreed to some changes to the names and descriptions of membership categories. Over the past year, we have undertaken work to update membership records and increase signup. Thanks to these efforts the year's figures show an increase from 573 to 727. Disabled Peoples' Organisations remain the only voting member category, with other categories labelled in different ways.

Members - Disabled People's Organisations – led by disabled people	43
Associates - Individual members who are disabled people	505
Affiliates – disability focused organisations but not led by disabled people	73
Supporters (Non disability organisations)	38
Supporters (Non-disabled Individuals)	68

Total Membership/Supporters:	727
	=====

In addition to our membership, we reach a large number of organisations and individuals through our networks and communications, notably our twice-monthly e-bulletin and our employers' bulletin that was newly launched this year.

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.

Inclusion Scotland Report of the Trustees (continued) For the year ended 31 March 2021

Risk management

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

Operational

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

Financial (revenue)

There is a risk of the organisation failing financially. Mitigation will be achieved by a structured operational budgeting process, competent risk/benefit analysis, clear management accounting, maintenance of financial management and commercial competencies, and compliance with statutory reporting requirements.

Funding

There is a risk of not securing sufficient funding for activities and projects curtailed because of insufficient funds and/or overspending. A structured funding budgeting process will achieve mitigation, matching commitments to available finances, competent project management, and clear financial accounting.

Reputation

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

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 lack of capacity in the organisation or by the organisation becoming stretched. This risk will be mitigated by adequate governance by a competent Board who will ensure the provision of, and oversee, strong management with resources and competencies to carry out the organisation's business.

Key management personnel and pay policy for senior staff

The trustees consider 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 7 of the accounts.

Senior staff pay scales are benchmarked against SJC pay grades where possible. However, the trustees recognised that senior staff pay may not have kept pace with the expansion of their responsibilities that have accompanied the organisation's growth. Following an independent review of staff pay, carried out during the previous reporting year, a new pay scale and a competency framework have been worked up, tested, and approved for use by the Board.

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 and Mr T Robinson resigned as trustees and directors of Real Inclusion in October 2020. Gillian Lawrence and Leo Starrs-Cunningham became directors from this point onwards. Dr Sally Witcher remained as Company Secretary until she left in February 2021, at which point Phyl Meyer (Head of Business Development) took over the role.

**Inclusion Scotland
Report of the Trustees (continued)
For the year ended 31 March 2021**

Reference and administrative details

Registered Company number

SC243492 (Scotland)

Registered Charity number

SC031619

Registered office

22-24 Earl Grey Street
Edinburgh
EH3 9BN

Trustees

Mr T Robinson (Convenor) (resigned 17 August 2020)

Dr J Elder-Woodward (Re-elected 26 November 2020)

Ms I Paterson (retired October 2020)

Ms G Lawrence (re-co-opted, 26 November 2020, Treasurer)

Dr K Rummery (re-co-opted 15 December 2020)

Mr R McMullan (reappointed 26 November 2020)

Ms T Cotton (resigned 26 November 2020)

Mr A Mason (re-elected 26 November 2020)

Mr L Starrs-Cunningham (re-elected, and appointed Convenor, 26 November 2020)

Dr F Campbell (re-appointed 30 October 2020)

Mr M Mackintosh resigned 26 November 2020)

Ms K Dams (co-opted 15 December 2020)

Dr Balkishan Agrawal (elected 26 November 2020)

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 (resigned 28 February 2021)

Miss M Tasker (appointed 28 June 2021)

The Senior Management Team stepped up during the interim between CEOs:

Mr P Meyer (Interim Director)

Dr Pauline Nolan (Interim Director)

Ms H Fiskén (Interim Director)

Company Secretary

Dr S Witcher (resigned 28 February 2021)

Mr P Meyer (appointed 28 February 2021)

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

**Inclusion Scotland
Report of the Trustees (continued)
For the year ended 31 March 2021**

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 by:

.....
Leo Starrs-Cunningham, Convenor

Inclusion Scotland

Report of the Trustees (continued)

For the year ended 31 March 2021

Opinion

We have audited the charitable company's financial statements of Inclusion Scotland for the year ended 31 March 2021 on pages 12 to 25. 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 2021 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 conclude 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Inclusion Scotland Report of the Trustees (continued) For the year ended 31 March 2021

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 8, 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

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

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

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

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

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

**Inclusion Scotland
Report of the Trustees (continued)
For the year ended 31 March 2021**

Our responsibilities for the audit of the financial statements (continued)

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

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.

Jeremy M Chittleburgh CA
Chiene + Tait LLP
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 2021

	Notes	Un- restricted Funds £	Restricted Funds £	2021 Total Funds £	Un- restricted Funds £	Restricted Funds £	2020 Total Funds £
Income and Endowments from:							
Donations and legacies	2	479,521	-	479,521	435,846	-	435,846
Charitable activities							
Project activities	3	48,450	949,006	997,456	-	459,705	459,705
Other income		5,144	8,000	13,144	16,491	-	16,491
Total		533,115	957,006	1,490,121	451,646	459,705	912,042
Expenditure on:							
Charitable activities							
General activities	4	437,961	723,533	1,161,494	479,848	700,522	1,180,370
Total		437,961	723,533	1,161,494	479,848	700,522	1,180,370
Net income/(expenditure)		95,154	233,473	328,627	(27,511)	(240,817)	(268,328)
Transfer between funds	15	43,957	(43,957)	-	-	-	-
		139,111	189,516	328,627	(27,511)	(240,817)	(268,328)
Other recognised gains/(losses)							
Actuarial (losses)/gains		(619)	-	(619)	2,577	-	2,557
Net movement in funds		138,492	189,516	328,008	(24,954)	(240,817)	(265,771)
Reconciliation of Funds							
Total funds brought forward		22,318	39,852	62,170	47,272	280,669	327,941
Total Funds Carried Forward		160,810	229,368	390,178	22,318	39,852	62,170

All income and expenditure has arisen from continuing activities.

INCLUSION SCOTLAND

BALANCE SHEET

At 31 March 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	10	18,740	12,579
Investments	11	1	1
		-----	-----
		18,741	12,580
Current Assets			
Debtors	12	17,988	38,633
Cash in hand		448,616	256,610
		-----	-----
		466,604	295,243
Creditors: Amounts falling due within one year	13	(81,413)	(230,552)
		-----	-----
Net Current Assets		385,191	64,691
		-----	-----
Total Assets less Current Liabilities		403,932	77,271
Pension Liability	16	(13,754)	(15,101)
		-----	-----
Net Assets		390,178	62,170
		=====	=====
Funds	15		
Unrestricted funds		160,810	22,318
Restricted funds		229,368	39,852
		-----	-----
		390,178	62,170
		=====	=====

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:

.....
Mr L Starrs-Cunningham
Convenor

INCLUSION SCOTLAND

CASH FLOW STATEMENT

For the year ended 31 March 2021

	Notes	2021	2020
		£	£
Cash flows from operating activities	1		
Cash generated from operations		209,416	(75,375)
Pension deficit contributions		(2,322)	(2,254)
		-----	-----
Net cash provided by (used in) operating activities		207,094	(77,629)
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(15,088)	(4,849)
		-----	-----
Net cash provide by (used in) investing activities		(15,088)	(4,849)
Change in cash and cash equivalents in the reporting period		192,006	(82,478)
Cash and cash equivalents at the beginning of the reporting period		256,610	339,088
		-----	-----
Cash and cash equivalents at the end of the reporting period		448,616	256,610
		=====	=====

	At 1		Other	At 31
	April	Cashflows	non-cash	March
	2020	£	changes	2021
	£	£	£	£
Cash and Cash Equivalents				
Cash	256,610	192,006	-	448,616
	=====	=====	=====	=====

The notes on pages 16 to 24 form part of these financial statements.

INCLUSION SCOTLAND

NOTES to the CASH FLOW STATEMENT

For the year ended 31 March 2021

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

	2021	2020
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	328,627	(268,328)
Adjustments for:		
Depreciation charges	8,927	3,968
Non-cash interest on defined benefit pension	356	-
(Increase)/decrease in debtors	20,645	(1,562)
Increase/(decrease) in creditors	(149,139)	188,293
	-----	-----
	209,416	(77,629)
	=====	=====

2. Analysis of Cash and Cash Equivalents

Cash at bank and in hand	448,616	256,610
	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

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. The trustees have considered the ongoing impact of Covid-19. With regard to the following year, the most significant area of uncertainty facing Inclusion Scotland is the level of funding which needs to be raised each and every year, this is covered in more detail in the performance and risk sections of the trustees' annual report.

Accounting judgements and sources of estimation uncertainty

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

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

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

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

Income

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

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

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

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

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

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 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.

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.

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

1. Accounting Policies (continued)

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 2021

2. Donations and Legacies	2021	2020
	£	£
Donations and legacies	44,906	-
Scottish Government core funding	414,500	412,274
Department of Work and Pensions	20,115	23,572
	-----	-----
	479,521	435,846
	=====	=====

3. Income from Project Activities	2021	2020
	£	£
Activity		
Grants: Project activities	864,552	362,657
Grants: Big Lottery Fund projects	132,904	97,048
	-----	-----
	997,456	459,705
	=====	=====

	2021	2020
	£	£
Grants received, included in the above, are as follows:		
Scottish Government	864,552	362,657
Big Lottery Fund – Disability Research on Independent Living and Learning	120,411	47,076
Big Lottery Fund – Lived Experience Leadership	12,493	49,972
	-----	-----
	997,456	459,705
	=====	=====

4. Charitable Activities Costs	Direct Costs	Support Costs	Total Costs
	£	£ (See note 5)	£
General activities	1,143,380	18,114	1,161,494
	=====	=====	=====

5. Support Costs	2021	2020
	£	£
Human resources		
Recruitment costs	955	2,385
Governance costs		
Auditors remuneration	4,920	4,680
Auditors remuneration – non audit work	11,940	7,064
Legal and professional fees	299	10,421
	-----	-----
	18,114	24,550
	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

6. Net income/(expenditure)	2021	2020
	£	£

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

Auditor's remuneration	4,920	4,680
Non-audit services	11,940	7,064
Depreciation	8,927	3,968
	=====	=====

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 2021 was £22 (2020: £5,616).

8. Staff Costs	2021	2020
	£	£

Wages and salaries	762,930	702,161
Social security costs	65,470	62,497
Other pension costs	64,005	61,973
	-----	-----
	892,405	826,631
	=====	=====

The average monthly number of employees during the year was	24	24
	=====	=====

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 are defined as the CEO plus the four Heads of Department. The aggregate remuneration of key management personnel in the year was £213,888 (2020: £229,960).

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

10. Tangible fixed assets	Tenant Improve- ments	Plant and machinery	Computer equipment	Totals
	£	£	£	£
Cost				
At 1 April 2020	3,189	6,508	11,311	21,008
Additions	-	-	15,088	15,088
	-----	-----	-----	-----
At 31 March 2021	3,189	6,508	26,399	36,096
	-----	-----	-----	-----
Depreciation				
At 1 April 2020	331	3,921	4,177	8,429
Charge for the year	319	647	7,961	8,927
	-----	-----	-----	-----
At 31 March 2021	650	4,568	12,138	17,356
	-----	-----	-----	-----
Net book value				
At 31 March 2021	2,539	1,940	14,261	18,740
	=====	=====	=====	=====
At 31 March 2020	2,858	2,587	7,134	12,579
	=====	=====	=====	=====

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 was been dormant in both the current and prior year.

	2021	2020
Aggregate share capital and reserves	1	1
	=====	=====

12. Debtors: amount falling due within one year

	2021	2020
	£	£
Debtors	3,542	3,309
Monies held by payroll agents	680	17,521
Prepayments and accrued income	13,766	17,803
	-----	-----
	17,988	38,633
	=====	=====

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Creditors	40,791	11,836
Accrued expenses	40,622	14,597
Deferred income	-	198,450
	-----	-----
	81,413	230,552
	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

14. Analysis of net assets between funds	Un-Restricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Fixed assets	18,741	-	18,741	12,580
Net current assets	155,823	229,368	385,191	64,691
Pension liability	(13,754)	-	(13,754)	(15,101)
	-----	-----	-----	-----
	160,810	273,325	390,178	62,170
	=====	=====	=====	=====

15. Movement in funds	At 1 April 2020 £	Income £	Expenditure £	Unrealised gains/(losses) and transfers £	At 31 March 2021 £
Unrestricted					
General fund	22,318	533,115	(437,961)	43,338	160,810
	-----	-----	-----	-----	-----
Restricted					
APPLE/LE	2,918	721,750	(539,946)	-	184,722
DRILL	-	71,961	(28,004)	(43,957)	-
DRILL Four Nation Project	-	-	-	-	-
LEL Project	24,813	12,493	(33,906)	-	3,400
Access to Elected Office	12,121	100,000	(83,834)	-	28,287
Private Sector Interns	-	50,802	(37,843)	-	12,959
	-----	-----	-----	-----	-----
	39,852	957,006	(723,533)	-	229,368
	-----	-----	-----	-----	-----
	62,170	1,490,121	(1,161,494)	(619)	390,178
	=====	=====	=====	=====	=====

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

The DRILL project finished in September 2020. An agreement was made with the funding provider that the underspend of £43,957 could be used for other projects therefore a fund transfer has been made from restricted funds to unrestricted funds.

Movement in funds	At 1 April 2019 £	Income £	Expenditure £	Unrealised gains/(losses) and transfers £	At 31 March 2020 £
Unrestricted					
General fund	47,272	452,337	(479,848)	2,557	22,318
	-----	-----	-----	-----	-----
Restricted					
APPLE/LE	138,115	312,657	(447,854)	-	2,918
DRILL	13,526	14,713	(28,239)	-	-
DRILL Four Nation Project	51,689	32,363	(84,052)	-	-
LEL Project	-	49,972	(25,159)	-	24,813
Access to Elected Office	43,553	50,000	(81,432)	-	12,121
Private Sector Interns	33,786	-	(33,786)	-	-
	-----	-----	-----	-----	-----
	280,669	459,705	(700,522)	-	39,852
	-----	-----	-----	-----	-----
	327,941	912,042	(1,180,370)	2,557	62,170
	=====	=====	=====	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

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.

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 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 contributions to 30 September 2027 are in respect of those employers that have agreed concessions (both past and present) with the Trustee.

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	2021	2020	2019
	£	£	£
Present value of provision	13,754	15,101	17,658
	=====	=====	=====

INCLUSION SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

16. Employee benefit obligations (continued)

Reconciliation of provision & income and expenditure impact	2021	2020
	£	£
Provision at start of the year	15,101	17,658
Deficit contribution paid	(2,322)	(2,254)
Unwinding of the discount factor (interest expense)	356	239
Remeasurements - impact of any changes in assumptions	619	(542)
Remeasurements - amendments to the contribution schedule	-	-
Income and expenditure account	(1,347)	(2,557)
Provision at end of the year	13,754	15,101

%	2021	2020	2019
Assumptions	%	%	per annum
	per annum	per annum	per annum
Rate of discount	0.86	2.57	1.46

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 £54,961 (2020: £59,934)

There were no contributions due to the fund at 31 March 2021 (2020: £nil).

17. Related party disclosures

During the year, Inclusion Scotland made purchases of £10,195 from Lothian Centre for Inclusive Living. Dr B Agrawal is also a director of Lothian Centre for Inclusive Living. At 31 March 2021, Inclusion Scotland owed Lothian Centre for Inclusive Living £nil.

18. Operating lease commitments

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

	2021	2020
	£	£
Within one year	60,000	60,000
Greater than one year and less than five years	105,000	172,500
Total commitment	165,000	232,500

INCLUSION SCOTLAND**DETAILED CHARITY STATEMENT of FINANCIAL ACTIVITIES****For the year ended 31 March 2021**

<u>Income and Endowments</u>	2021	2020
	£	£
Donations and legacies		
Donations and legacies	44,906	-
Scottish Government Grants	414,500	412,274
Department of Work and Pensions	20,115	23,572
	-----	-----
	479,521	435,846
Project activities		
Grants	997,456	459,705
Other income	13,144	16,491
	-----	-----
Total incoming resources	1,490,121	912,042
	-----	-----
<u>Expenditure</u>		
Charitable activities		
Wages	762,930	702,161
Social security	65,470	62,497
Pensions	64,005	61,973
Rent	61,547	73,147
Rates	5,566	5,914
Insurance	1,830	3,030
Telephone	3,512	3,179
Postage, stationery and publicity	8,096	8,106
Sundries	22,763	19,317
Temporary staff	8,400	9,117
Conference expenses	5,321	31,701
Travel and subsistence	1,413	46,008
Training expenses	5,142	14,358
Repairs and maintenance	628	16,405
Subscriptions	1,574	2,416
Interpretation services	5,143	-
Staff support	65,962	60,534
Professional fees	29,617	12,056
Depreciation of tangible fixed assets	8,927	3,968
Bank charges	224	406
Interest expenses	356	-
IT and office equipment	14,954	19,527
	-----	-----
	1,143,380	1,155,820
	-----	-----
Support costs		
Recruitment costs	955	2,385
	-----	-----
Governance costs		
Auditors' remuneration	4,920	4,680
Auditors' remuneration for non-audit work	11,940	7,064
Legal and professional fees	299	10,421
	-----	-----
	17,159	22,165
Total resources expended	1,161,494	1,180,370
	-----	-----
Net income/(expenditure)	328,627	(268,328)
	=====	=====