



**SCOTTISH REFUGEE COUNCIL
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

Charity number: SC008639

Company number: SC145067

SCOTTISH REFUGEE COUNCIL

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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SCOTTISH REFUGEE COUNCIL

Report of the Directors for the year ended 31 March 2016

The Directors present their annual report and financial statements of the charitable company for the year ended 31 March 2016.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and 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 published on 16 July 2014.

Objectives and activities

Objectives

The charitable objectives of Scottish Refugee Council contained in the Memorandum and Articles of Association can be summarised as:

- Providing relief and assistance to displaced people, refugees, asylum seekers, their families and dependents who have sought refuge in Scotland;
- Providing and disseminating information to voluntary organisations and statutory authorities working with this group of people;
- Advancing education and promoting the relief of poverty; and
- Working to address the reasons people are forced to seek protection as refugees.

This year was the second full year of delivery of the 2014-2017 Strategic Plan. The plan sets out the vision and five key strategic priorities that the organisation wants to achieve in order to fulfil its purpose.

Our **vision** is for a Scotland in which all people seeking refugee protection are welcome and where women, children and men are protected, find safety and support, have their human rights and dignity respected and are able to achieve their full potential.

Our five key **strategic priorities** are to:

1. Increase public empathy with refugees and campaign for an end to discrimination, racism and prejudice;
2. Advocate for the rights of refugees and people seeking asylum and for fair and just legislation and policies;
3. Support refugees' integration and inclusion;
4. Ensure that refugees and people seeking asylum have access to quality advice services, information and support; and
5. Develop an efficient organisation which supports staff and volunteers and ensures quality and value for money.

Activities

Strategy for achieving stated objectives

We have adopted the following strategy to seek to achieve our stated objectives:

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Report of the Directors for the year ended 31 March 2016

Strategic Priority 1: Increasing Public Empathy

- We will work to ensure that refugees are represented and promoted in the media accurately and fairly by proactively working with the mainstream media in Scotland and the UK.
- We will continue to build on our reputation as the 'go-to' organisation for journalists, stakeholders and members of the public to seek accurate and up-to-date information about refugees in Scotland.
- We will continue to develop our own communications, website, training and social media to engage, inform and challenge attitudes to create a more welcoming environment for refugees in Scotland. We will develop strong, targeted and explicit messages that reframe the terms of the debate.
- We will continue to involve refugees in all aspects of our communications work, from planning and designing our messaging to working with them to raise their voices through the mainstream media and other communications channels.

Strategic Priority 2 : Advocacy

- We will continue to build on our reputation as the credible, evidenced and powerful voice for refugees and refugee issues in Scotland. Working with refugees, community groups, partner organisations and others, we will proactively influence the UK and Scottish Governments and other decision makers using the most effective methods, to develop legislation, policy and practice which uphold our international obligations to treat refugees fairly and humanely.
- We will build on our specialist expertise and knowledge on the needs and experiences of refugees and asylum seekers within devolved policy areas; and women and children issues. We will work with the Scottish Government and others to implement Scotland's strategy for refugee integration, *New Scots: Integrating Refugees in Scotland's Communities* (2014-2017).
- We will continue to ensure the particular issues facing refugees in Scotland influence our advocacy priorities and that refugees are involved in different aspects of our advocacy and campaigning work from planning to implementation. We will continue to create platforms for refugees to speak out for themselves and to empower refugee groups to advocate on issues important to them.

Strategic Priority 3 : Refugee Integration

- We will support and empower refugee community organisations throughout Scotland to organise, speak for themselves and have influence on their lives and communities.
- We will work with refugees, community groups, faith groups, public sector bodies and government to ensure refugees are enabled to build social relationships; are involved, active and safe in their local communities.
- We will work with partners to ensure measures are in place to support more effective engagement between refugees and local and national decision-making structures.
- We will work with partners to ensure refugees and local people have opportunities to participate together in cultural, community, sporting and other activities, such as those offered as part of Refugee Festival Scotland.

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Strategic Priority 4 : Quality Services

- We will deliver our three year funded Holistic Refugee Integration Service to newly recognised refugees in Scotland, assisting them to access housing, employment, healthcare, education and build a new life in Scotland.
- We will continue to support young people who are seeking asylum or who have been trafficked, through the Scottish Guardianship Service.
- We will continue to prioritise and develop new person-centred services for refugees and people in the asylum process, such as our new Key Worker Service for Newly Arrived Asylum-Seeking Families, which make a demonstrable impact on refugees' protection, welfare and integration where we can find suitable funding and resources.
- We will continue to train and work with service providers to ensure they understand and meet the particular needs of refugees.
- We will ensure that refugees are involved at the centre of the planning, design, implementation, monitoring and evaluation of direct advice services.

Strategic Priority 5 : Efficient and Effective Organisation

- We will build on developing a robust, committed organisation which works to the highest standards of quality, transparency, compliance and value for money.
- We will continue to drive for an organisation with a diverse funding base where staff and volunteers are safe, valued and equipped to empower and make a difference to the lives of refugees.
- We will continue to develop our use of technology to find new ways of delivering services and communicating with our supporters, members and the general public.
- We will ensure that our board of directors are effectively supported to work to the highest standards and to provide the right strategic direction for the organisation.
- We will develop an organisational culture which embeds refugee involvement and empowerment in all aspects of the organisation, from recruiting refugee volunteers to maintaining our constitutional commitment that a significant proportion of our board members are themselves refugees.

Achievements and performance

Our significant charitable activities during 2015/16 are broken down into three areas:

1. Refugee and Asylum services;
2. Refugee Integration; and
3. Policy and Advocacy.

1. Refugee and Asylum services

Asylum Advice and support

During this period we continued to assist new arrivals for whom we did not have specific resources but had adapted other resources to meet this need. During the year we dealt with over 100 people and dealt with them through providing resources to travel to Croydon to register, refer to other advice services or advocate locally with the Home Office to secure access to the asylum system in Glasgow for vulnerable clients. The service is supported by volunteers in addition to staff.

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Report of the Directors for the year ended 31 March 2016

Asylum Advice and support continued

We are a partner in the Refugee Survival Trust destitution project supporting destitute and homeless asylum seekers who are appeal rights exhausted. Our role in the project is to carry out a casework assessment and make suitable referrals to the Strathclyde Law Clinic. During the year we worked with around 150 clients through this service.

This Family Keywork project is being supported through funding from the Scottish Government under its PSP (Public Social Partnership) funding stream. This was the last year of the initial funding and we were able to secure reduced resources going forward at the year end.

Since commencement of the project in December 2013 a total of 181 families have benefitted from the pilot reaching the 100% target agreed with the funder.

Refugee Advice services

This year has been the final year of delivery under the current funding arrangements with the Big Lottery and others. We deliver this service in partnership with British Red Cross, WEA (Workers' Educational Association) and others. We used this final year to develop the final evaluation and learning from this service.

We also developed a proposal for a new service based on this learning to seek further funding from the Big Lottery. The impact of the Syrian resettlement programme helped convince the Lottery that further funding and development of the service would be useful. We worked with British Red Cross as a key partner for this next phase.

In December 2015 we used the experience of our model to provide funded casework support to West Dunbartonshire Council in the provision of their Syrian resettlement programme.

In the year the service provided;

- 520 new refugees with initial integration assessments.
- 353 new refugees completing their person centred action plan.
- 469 people claiming Job Seekers Allowance.
- 234 refugees having their English language assessed
- 42 refugees referred to the Bridges Programmes for employability experience.

During the year we delivered a Third Country National family reunion service in partnership with British Red Cross to support people being reunited with their families. The project funding for this service ended in June 2015. A report was published.

The Service supported 66 families in total with 164 individuals directly benefitting from our advice service.

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Report of the Directors for the year ended 31 March 2016

2. Refugee Integration

The basis of our refugee integration work was underpinned by the Scottish Government's *New Scots* national Refugee Integration Strategy.

We continued to work with many community organisations and support the changing provision and profile on integration networks within Glasgow.

A key focus of the year was to develop a new strategic approach to working with refugee communities. The board reviewed this strategy during its development through the year in August 2015 and March 2016.

This work proved very useful in articulating our thinking in working with Scottish Government and local authorities for integration approaches to the new Syrian refugees coming into Scotland.

We continued with our annual co-ordination of Refugee Festival Scotland 2015 and began the delivery of our 'Lest we Forget' project.

Highlights of Refugee Festival 2015 included:-

- Establishing and co-ordinating a programme of 110 events across 14 local authority areas;
- Badging the festival as part of our SRC 30th anniversary year;
- Co-ordinating a partner organisation network which ended up with over 60 partners; and
- Delivering SRC key festival events including the Ministerial launch at the Lighthouse, Parliamentary reception, Media Awards and the Welcome Tent on Buchanan street.

We were awarded £99k by the Heritage Lottery Fund for the 'Lest we Forget' project which commenced in the Summer of 2015. The project links the experiences of Belgian refugees arriving in Scotland during World War 1 to experiences of refugees arriving today. The outcomes from the project will be learning materials for schools and a touring exhibition.

3. Policy and Advocacy

In the first part of the reporting year we placed between 50 and 100 stories in the media and supported 12 refugees to speak to the media. The issues focussed on cuts to asylum support rates, the situation in Calais and Dungavel inspection.

Following the Syrian refugee crisis in September 2015 we were dealing with around 100 media enquiries a week from all over the world. As an example in one week in December 2015 SRC contributed directly to 16 media stories in print and broadcast. The first resettlement flight to the UK arrived in Glasgow in September and we were involved in over two days of continuous media interaction and interviews. We received additional resources from the Scottish Government to enable us to deal with this spike in volume.

Our social media role saw an increase in SRC website usage in the first half of the year, up by 66% in the second quarter compared to the previous year. This increased again by a further 50% during the second half of the year following the Syrian resettlement programme. Facebook and Twitter followers mirrored this general approach with an increase of 6,560 and 1,100 respectively.

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Report of the Directors for the year ended 31 March 2016

Policy and Advocacy continued

During the year we also secured additional resources to co-ordinate and manage the Scotland Welcomes Refugees website set up by the Scottish Government to provide updates and a space to manage individual offers of help from across Scotland. We worked on linking up offers of help to individual local authorities.

We continued our advocacy and engagement with politicians. We worked with the new Scottish MP's following the May 2015 elections and organised a briefing session for the new MP's in Westminster. As a result we were able to influence a number of questions and debates that were held at Westminster during the year.

We met with the Secretary of State for Scotland to discuss the asylum proposals in the Smith Commission report.

We continued to maintain our relationships with Scottish politicians. Our influence and relationships ensured we were at the heart of the Scottish Government response to the Syrian resettlement issues. We were represented at the First Minister's Syrian summit in September 2015, sat on the Ministerial Task Force and were asked to chair one of the Task Force sub groups.

In the first six months of the year our training function delivered around 15 courses, including a mixture of public courses and tailored courses.

In the second half of the year we delivered many training courses to over a dozen local authority areas including the Western Isles and Orkney for staff and stakeholders who were involved in the preparations for receiving Syrian refugees. This training has all evaluated extremely positively.

Developing an effective organisation

The AGM was held in January 2016 with around 100 people attending. The event concluded our SRC30 anniversary celebrations and was attended by the Scottish First Minister and leader of the Scottish Labour Party for the launch of our refugee principles document. A successful programme of recruitment for new refugee directors saw 5 new directors join the board at the AGM in January 2016.

The Board approved the annual Risk and Reserves policies along with an Anti-Fraud policy. During the year the board approved Scottish Refugee Council to become a living wage employer; we have since received accreditation from the UK Living Wage and the Scottish Living Wage associations.

Scottish Refugee Council continued to lead a three organisation partnership with the Refugee Council and Welsh Refugee Council on the Joint Client Database, a client database that is used in all our services.

We introduced and implemented a new finance system Sage Line 50 and e-banking was fully implemented in 2015/16.

We continued to be active in ensuring volunteering opportunities for refugee and asylum seekers and recruited over 100 volunteers in roles during the year. We secured our Investing in Volunteers re-accreditation for the third time.

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Report of the Directors for the year ended 31 March 2016

To support our fundraising activities the board set up a Funding Group with a specific focus on major donor giving.

We continued to grow our membership and supporter base with 40% of our membership being organisations rather than individuals.

Monitoring achievement

The board monitors the activities of the charitable company through a number of different approaches. The strategic plan sets out the five key strategic priorities of the organisation. The chief executive and senior management team develop an annual operational plan which details the activities and targets for each financial year. The board monitor performance of the annual operational plan at each meeting through the chief executive's report which also sets out a number of Key Performance Indicators which help the board with a closer overview of the organisation's performance. In addition every year the board receives a strategic plan progress report which outlines the achievements for the previous year against the five strategic plan themes.

Financial review

Income for the year was £2,383k (2014/15 £2,451k), a decrease of 2.8%.

Expenditure for the year was £2,358k (2014/15 £2,461k) a decrease of 2.7%, resulting in net income of £25K (2014/15 £27k) or 1.1% of incoming resources.

These movements are considered to be immaterial, and in line with expectations of the directors taking into account the additional income received and staffing required in relation to the Syrian refugee crisis that happened during the second half of 2015/16.

The Directors note that after accounting for actuarial (losses) on the defined benefit pension scheme, the net movement on reserves was significant for 2015/16.

Principal funding sources

Scottish Refugee Council has a diverse funding base as can be seen from note 7, page 24.

The grants received from our charitable activities totalled £2,154k from 19 different sources and several small trusts (2014/15 £2,311k).

Our Scottish Government Strategic Grant was £534k (2014/15 £550k). Other funding from the Scottish Government was £627k (2014/15 £579k). Transitional funding was received from UKBA (United Kingdom Border Agency) of £61k (2014/15 £118k).

Other significant sources of funding for the year were Big Lottery £504k (2014/15 £696k) and Comic Relief £123k (2014/15 £144k).

We extend our thanks to all funding bodies, donors and supporters.

Risk management

The Board reviews the major risks the charitable company faces and of the systems in place to manage those risks annually. Actions required to strengthen the existing systems and procedures have been identified and progress is monitored.

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The six principal risks rated by the Board as high or medium that the charitable company faced in the year ended 31 March 2016 were identified as:

- integrate risk management into the culture and day to day activities of the charitable company;
- raise awareness of the need for risk management by all those connected with the delivery of the charitable company's work;
- enable the charitable company to anticipate and respond positively to change;
- minimise injury, damage, loss and inconvenience to, staff and clients arising from or connected with the delivery of the charitable company's work;
- minimise damage to the charitable company's reputation and credibility with the public, members, donors, stakeholders and funders;
- regular review and monitoring of the charitable company's Risk Register to ensure all strategic risks are identified and updated accordingly;
- minimise the cost of risk.

These risks are managed by the risk management strategy discussed above.

Going Concern

A deficit budget has been approved for the year to 31 March 2017 in order to allow additional capacity to secure future funding and grants. The Scottish Refugee Council holds a healthy cash and bank balance and has continued to meet its liabilities, as they fall due, since the year end. Since the year end a large funding bid has been secured for two years to September 2018. The Directors have therefore prepared the financial statements on a going concern basis.

Reserves policy

After accounting for the defined benefit pension provision, Scottish Refugee Council has built up a fund total of £1,133k through prudent management.

Providing services to refugees and asylum seekers in a volatile and uncertain market subject to sudden changes in legislation may lead to reductions in funding or changes in the way Scottish Refugee Council is funded. Despite the volatility of this sector the Directors want to ensure that all available funds are used to benefit refugees and asylum seekers whether directly or indirectly.

The Directors have forecast the level of free reserves (those funds not tied up in fixed assets and designated and restricted funds) the charity will require to sustain its operations for a period of not less than six months as £1,179k (2014/15 £1,212k).

The actual free reserves at 31 March 2016 were £863k which is £316k short of the target figure. The Directors recognise that this is less than the target of six months, amounting to just under four and a half months running costs. They consider three months to be the very minimum level of free reserves. The target of six months' running costs continues to be our strategy to sustain the continued viability of the organisation and the Directors will continue to address this strategy.

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Report of the Directors for the year ended 31 March 2016

Plans for the future

In 2016/17 the organisation will be delivering the final year of the current strategic plan and developing its new strategic plan and priorities for the period 2017 to 2020.

We will continue to seek to diversify our funding and resources and to deliver services for asylum seekers and refugees, improve public attitudes and advocate for improved legislation and policies.

We will continue to work on the integration of refugees into Scotland's communities and work with the Scottish Government on the delivery of Scotland *New Scots* refugee integration strategy. The organisation will still aim to be central in Scotland's response to the Syrian refugee crisis.

In the coming year we will review our accommodation and lease arrangements and develop a new digital strategy for our future ICT (Information and Communication Technology) needs.

The board will continue to review its approaches to dealing with the potential pension scheme liability and develop an ethical approach and investment policy for maximising the returns on the organisation's reserves.

Structure, governance and management

Governing Document

Scottish Refugee Council was set up in 1985 as an unincorporated charity (Scottish Charity Number SC008639). In June 1993, it became a Company Limited by Guarantee (company number SC145067) and was granted Charitable Status. The constitutional documents under which Scottish Refugee Council was incorporated are the Memorandum and Articles of Association. The Memorandum of Association sets out the objects and powers of the company and the Articles of Association set out the rules for the running of the company's internal affairs. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of the Board of Directors

All members of the charitable company are eligible to be nominated for election as a Director of the organisation. The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles of Association are known as Directors of the Board. Under the requirements of the Memorandum and Articles of Association the members of the Board are:

- elected at the Annual General Meeting or co-opted by the Board of Directors;
- may serve a three-year period; and
- are entitled to be re-elected or co-opted for a subsequent three years.

The number of members of the Board must not exceed fifteen, but should not be less than five. In addition, to maintain relevant skills, knowledge and representation, the Directors have the power to co-opt any person. The Board may co-opt up to five members and should ensure that at any given time there are at least two refugee directors.

SCOTTISH REFUGEE COUNCIL

Report of the Directors for the year ended 31 March 2016

The Board appoints a Chair and Vice Chair from among its own members, for a period of three years and they may be re-appointed for a further three years provided they shall not be entitled to hold their office for more than an aggregate of six years.

No Director is entitled to serve for a continuous period of more than six years from the date of original election or co-option with the exclusion of the Chair and Vice Chair. They may serve as a Director for a maximum of ten years, their term in office as Chair or Vice Chair not exceeding six years (two terms of three years).

There were five appointments and two resignations in 2015/16. At the AGM held on 15 January 2016 one director was required to stand down and did not stand for re-election.

Directors' induction and training

All new members of the Board are given a full induction, which includes relevant documentation in a pack and a series of short sessions to familiarise themselves with the organisation and the context within which it operates. These seminars are led by the Chair and the Senior Management Team (SMT) and cover:

- Governance including roles and responsibilities of directors, the strategic plan and the operational framework;
- Services and Development;
- Policy and Communications; and
- Financial and Risk Management.

Members of the Board are given opportunities to attend training and development applicable to their roles. They are also invited to attend Scottish Refugee Council events throughout the year.

During 2015/16 in addition to the normal board meeting cycle, a Board Strategic Review Day was held in November 2015.

Key management personnel remuneration

The Directors consider the board of directors, the chief executive and the senior management team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All directors give their time freely and no trustee remuneration was paid in the year.

Details of trustee expenses and related party transactions are disclosed in note 4 to the accounts.

The pay of the chief executive and senior management team are based on the SCVO (Scottish Council for Voluntary Organisations) approved SJC (Scottish Joint Council) pay scales, widely used in the third sector. Per the standard terms and conditions of the charity, pay increases will be reviewed annually in line with the SJC scales.

Details of the total paid to key management personnel are disclosed in note 12 to the accounts.

SCOTTISH REFUGEE COUNCIL

Report of the Directors for the year ended 31 March 2016

Reference and administrative details

Details are given below of the charity's current trustees, officers and advisers, together with contact details, company and charity numbers.

Trustees

Susan Moody	Chair
Liz Leonard	Vice-Chair
Katharine Jones	
James Jopling	
Dorothy Murray	
Laurie Naumann	
Janine Hunt	
Monish Bhatia	
Humma Irum Wilson	
Debora Kayembe	
Mohamed Omar	
Syed Rohullah Naqvi	
Monish Bhatia	Appointed 15 January 2016
Humma Irum Wilson	Appointed 15 January 2016
Debora Kayembe	Appointed 15 January 2016
Mohamed Omar	Appointed 15 January 2016
Syed Rohullah Naqvi	Appointed 15 January 2016
Muleya Mundemba	Resigned 15 January 2016
Douglas Campbell	Resigned 16 November 2015

Key management personnel

Chief Executive	John Wilkes
Head of Policy and Communications	Gary Christie
Head of Refugee Integration Services	Joe Brady, Resigned 02/10/15 Wafa Shaheen, Interim, Appointed 02/10/15
Head of Funding Development	Flutura Shala
Head of Finance and Administration	Mary Johnston, Interim, Resigned 21/09/15 Kes Armstrong, Appointed 16/09/15

Secretary

Davidson Chalmers, 12 Hope Street, Edinburgh, EH2 4DB Resigned 23 Nov 2015

Registered Office

25 Bothwell Street
Glasgow
G2 6NL

Operational Address

5 Cadogan Square
170 Blythswood Court
Glasgow
G2 7PH

SCOTTISH REFUGEE COUNCIL

Report of the Directors for the year ended 31 March 2016

Charity Number: SC008639

Company Number: SC145067

Auditor

Scott Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

Bankers

Bank of Scotland
32a Chambers Street
Edinburgh
EH1 1JB

Solicitors

Davidson Chalmers
12 Hope Street
Edinburgh
EH2 4DB

Directors' responsibilities in relation to the financial statements

The charitable company directors are responsible for preparing a directors' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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Report of the Directors for the year ended 31 March 2016

Directors' responsibilities in relation to the financial statements continued

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

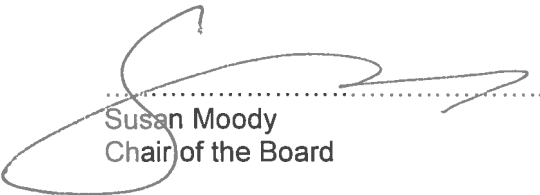
Statement of disclosure of information to the Auditor

In so far as the directors are aware:

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

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the directors on 18 August 2016 and signed on their behalf by:



.....
Susan Moody
Chair of the Board



.....
Dorothy Murray
Chair of the Finance & Audit Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF SCOTTISH REFUGEE COUNCIL FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Scottish Refugee Council for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, 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 directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' Responsibilities Statement set out on page 12 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.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2016 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 Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF
SCOTTISH REFUGEE COUNCIL FOR THE YEAR ENDED 31 MARCH 2016**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Scott Moncrieff

Gillian Donald
Senior Statutory Auditor
For and on behalf of Scott Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

18 August 2016

**SCOTTISH REFUGEE COUNCIL
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016**

(Incorporating Income and Expenditure account)

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
Income							
Donations and legacies	5	135,485	-	135,485	30,742	-	30,742
Charitable activities	6	678,785	1,543,699	2,222,484	790,123	1,609,319	2,399,442
Investments		24,543	-	24,543	20,817	-	20,817
Total Income		838,813	1,543,699	2,382,512	841,682	1,609,319	2,451,001
Expenditure							
Raising funds							
Raising donations & legacies	8	141,709	-	141,709	117,940	-	117,940
Charitable activities	9	672,564	1,543,699	2,216,263	696,578	1,609,319	2,305,897
Total Expenditure		814,273	1,543,699	2,357,972	814,518	1,609,319	2,423,837
Net income		24,540	-	24,540	27,164	-	27,164
Other recognised (losses)							
Actuarial (losses) on defined benefit pension scheme		(168,000)	-	(168,000)	(38,000)	-	(38,000)
Net movement in funds		(143,460)	-	(143,460)	(10,836)	-	(10,836)
Reconciliation of Funds							
Total funds brought forward	21	1,276,070	-	1,276,070	1,286,906	-	1,286,906
Total funds carried forward	21	1,132,610	-	1,132,610	1,276,070	-	1,276,070

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 19 to 33 form part of these financial statements.

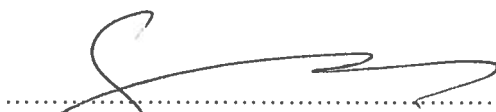
SCOTTISH REFUGEE COUNCIL

BALANCE SHEET AS AT 31 MARCH 2016

	Notes	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Fixed assets:				
Tangible assets	14	1,392	1,392	-
Total Fixed Assets		1,392	1,392	-
Current assets:				
Debtors	15	433,033	433,033	354,583
Cash at bank and in hand	24	2,361,120	2,361,120	2,361,706
Total Current Assets		2,794,153	2,794,153	2,716,289
Liabilities:				
Creditors falling due within one year	17	(456,775)	(456,775)	(392,600)
Net Current assets		2,337,378	2,337,378	2,323,689
Net assets excluding pension scheme		2,338,770	2,338,770	2,323,689
Defined benefit pension scheme liability	19	(1,206,160)	(1,206,160)	(1,047,619)
Net assets including pension scheme		1,132,610	1,132,610	1,276,070
The funds of the charity:				
Restricted funds	21	-	-	-
Unrestricted funds	21	1,132,610	1,132,610	1,276,070
		1,132,610	1,132,610	1,276,070

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were authorised for issue by the directors on 18 August 2016 and signed on their behalf by:



 Susan Moody
 Chair



 Dorothy Murray
 Chair of the Finance & Audit Committee

Charity number: SC008639

Company Registration Number: SC145067

The notes on pages 19 to 33 form part of these financial statements

SCOTTISH REFUGEE COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Total Funds 2016 £	Total Funds 2015 £
<i>Cash flows from operating activities:</i>			
Net cash (used in) operating activities	23	(23,343)	(231,666)
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		24,543	20,817
Purchase of property, plant and equipment		(1,786)	-
Net cash provided by investing activities		22,757	20,817
Change in cash and cash equivalents in the year		(586)	(210,849)
Cash and cash equivalent at the beginning of the year		2,361,706	2,572,555
Cash and cash equivalents at the end of the year	24	2,361,120	2,361,706

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2015) the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" and the Companies Act 2006. They are prepared on the historical cost basis.

The charitable company constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated.

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a high degree of judgement or complexity are disclosed in note 2.

Before 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" and the Companies Act 2006. The financial effects of the transition to FRS 102 are set out in note 26 to these financial statements.

A deficit budget has been approved for the year to 31 March 2017 in order to allow additional capacity to secure future funding and grants. The Scottish Refugee Council holds a healthy cash and bank balance and has continued to meet its liabilities, as they fall due, since the year end. Since the year end a large funding bid has been secured for two years to September 2018. The Directors have therefore prepared the financial statements on a going concern basis.

(b) Income recognition

Income is recognised once the charitable company has legal entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charitable company 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met (see note 18).

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies continued

Donations are recognised when the charitable company 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 charitable company 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 charitable company and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

(c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (e) below.

- Costs of raising funds comprise the costs of fundraising materials and salary costs in order to raise voluntary and charitable income and their associated support costs;
- Expenditure on charitable activities includes costs incurred by Scottish Refugee Council in the delivery of activities and services for its beneficiaries and other activities undertaken to further the purposes of the charitable company and their associated support costs;
- Grants payable are payments made to third parties in the furtherance of the charitable objects of the charitable company.

The charitable company is registered for VAT. As the charitable company has partial exemption status, any irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charitable company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charitable company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised, and reference can be made to the directors' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charitable company which is the amount the charitable company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies continued

(e) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the use of resources. The allocation of support and governance costs is analysed in note 11.

(f) Tangible fixed assets and depreciation

Assets costing more than £500 are capitalised and valued at historical cost.

Depreciation is calculated on a straight line basis as follows:

Computer Equipment	2 years	50%
Fixtures & Fittings	3 years	33.3%

(g) Debtors

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

(h) 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.

(i) 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 trade discounts due.

(j) Pensions

Employees of the charitable company are entitled to join a defined contribution 'money purchase' pension scheme.

The money purchase scheme is managed by Aegon UK and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension.

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies continued

(j) Pensions

The charitable company has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

Employees who choose not to join the Aegon UK defined contribution scheme are enrolled in the auto-enrolment Now pension scheme unless they choose to opt-out.

Scottish Refugee Council is also part of the multi-employer defined benefit Scottish Voluntary Sector Pension Scheme (SVSPS) administered by the Pensions Trust. The assets of the scheme are held separately from those of the charitable company. Contributions to the scheme are charged to the Statement of Financial Activities in order to spread the cost of pensions over employees' working lives with Scottish Refugee Council. The contribution rate is determined by a qualified actuary on the basis of triennial valuations, using the projected unit method.

The scheme closed to future accruals on 31 March 2010 due to the deficit situation.

Based on the actuarial valuation at 30 September 2014 and the agreed repayment plan of 13 years and 7 months, as agreed with the Pensions Trust, a net present value liability has been calculated and recognised on the balance sheet from the 1 April 2014 onwards. This has been restated on the 2015 opening and closing figures, and any movement on the net present value has been recognised on the statement of financial activities as an actuarial (loss) on defined benefit pension schemes. The discount rate is based on the discount rate used for government bonds.

(k) Fund accounting

Unrestricted funds comprise those funds which the directors are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the directors, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 21.

(l) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

(m) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies continued

(n) Taxation

No taxation is provided for as all the income of the charitable company's activities falls within the exemptions of sections 466 to 493 of the Corporation Tax Act 2010 (CTA 2010).

2. Critical judgements & estimates

Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The Trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate

Basis of estimation

Obligation under pension scheme.

This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.

3. Legal status

The charitable company is a registered Scottish charity.

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

4. Related party transactions and directors' expenses and remuneration

The directors all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2015: £nil). Expenses paid to the directors in the year totalled £1,512 (2015: £1,586). These expenses were made up of 8 directors reimbursed for their travel expenses.

During the year no director had any personal interest in any contract or transaction entered into by the charitable company (2015: none).

Scottish Detainee Visitors occupy a room within the Scottish Refugee Council property and contribute towards overhead costs. Scottish Refugee Council director Katharine Jones is also a director of Scottish Detainee Visitors. There was no balance outstanding at the year end.

6 directors donated £1,401 during the year. (2015: 3 directors, £1,074).

The organisation purchased Trustee Indemnity Insurance totalling £1,325 (2015: £1,325).

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

5. Income from donations and legacies

	2016	2015
	£	£
Donations and membership	135,485	30,742
	<u>135,485</u>	<u>30,742</u>

6. Income from charitable activities

	2016	2015
	£	£
Grants (note 7)	2,153,851	2,311,703
Training, events and publications	68,633	87,739
	<u>2,222,484</u>	<u>2,399,442</u>

7. Grants

	2016	2015
	£	£
Scottish Government – Strategic	534,000	550,000
Scottish Government – Housing	130,000	130,000
Scottish Government – PSP	221,866	232,196
Scottish Government - Guardianship	205,000	200,000
Scottish Government – Refugee Women Employability	-	1,299
Scottish Government – FGM	-	15,170
Scottish Government – Syrian VPR	70,208	-
UKBA OSS Move on	-	55,206
UKBA transition costs	61,240	62,659
ESF Priority Works	(2,006)	50,045
EIF – BRC	30,207	43,623
Big Lottery – Investing in Ideas	14,358	5,609
Big Lottery – Joining a New Community	489,882	692,579
DASS (Oak Foundation)	45,365	-
Local Authorities	51,224	28,910
HBOS	22,868	-
NHS Greater Glasgow & Clyde	19,409	18,178
Comic Relief	123,207	144,473
Diana, Princess of Wales, Memorial Fund	4,700	-
Heritage Lottery Fund	36,318	20,342
Henry Smith Charity	23,600	23,600
ECRE	14,525	-
Small Trusts	57,880	37,814
	<u>2,153,851</u>	<u>2,311,703</u>

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

8. Raising funds – expenditure on raising donations and legacies

	Direct Costs £	Support Costs £	Total 2016 £	Total 2015 £
Seeking donations & grants	103,005	34,084	137,089	112,047
Governance costs (note 11)	-	4,620	4,620	5,893
	<u>103,005</u>	<u>38,704</u>	<u>141,709</u>	<u>117,940</u>

9. Analysis of expenditure on charitable activities

	Refugee and Asylum Services £	Refugee Integration £	Policy & Advocacy £	Total 2016 £	Total 2015 £
Staff salaries	516,951	254,291	126,485	897,727	904,446
Charitable events/costs	488,336	52,163	14,876	555,375	717,248
Travelling costs	11,108	11,704	19,531	42,343	17,331
Printing & stationery	7,122	6,580	6,992	20,694	-
Telephone & ICT	51,311	10,308	29,923	91,542	-
General office supplies	16,313	12,598	11,363	40,274	18,825
Volunteering costs	23,605	4,351	2,385	30,341	12,248
Professional costs	4,768	3,667	10,522	18,957	12,323
Governance costs (note 11)	13,860	13,860	13,861	41,581	53,036
Support costs (note 11)	221,082	164,004	92,343	477,429	570,440
	<u>1,354,456</u>	<u>533,526</u>	<u>328,281</u>	<u>2,216,263</u>	<u>2,305,897</u>

10. Summary analysis of expenditure and related income for charitable activities

	Refugee and Asylum Services £	Refugee Integration £	Policy & Advocacy £	Total £
Charitable activities	1,354,456	533,526	328,281	2,216,263
Direct grant support	(1,253,657)	(518,309)	(96,855)	(1,868,821)
Net cost funded from other income	<u>100,799</u>	<u>15,217</u>	<u>231,426</u>	<u>347,442</u>

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

11. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Support Costs - Breakdown by activities

	Total £	Raising funds £	Refugee & Asylum Services £	Refugee Integration £	Policy & Advocacy £	Governance £
Salaries	261,896	13,632	95,814	90,542	44,746	17,162
Other staff costs	67,676	-	23,010	22,333	16,919	5,414
Rent & rates	116,032	11,603	58,016	29,008	17,405	-
Property costs	88,485	8,849	44,242	22,121	13,273	-
	534,089	34,084	221,082	164,004	92,343	22,576

Salaries, other staff costs and past service defined benefit expense are apportioned on time spent and rent, rates and property costs on usage.

	2016 £	2015 £
Governance costs:		
Director's expenses	1,512	1,586
Auditor's remuneration	8,318	15,184
Legal fees	5,202	7,784
Costs of meetings	8,593	8,706
Support costs (see above)	22,576	25,669
	46,201	58,929

Governance costs are split into activities as follows:

	Total £	Raising funds £	Refugee & Asylum Services £	Refugee Integration £	Policy & Advocacy £
Governance costs	46,201	4,620	13,860	13,860	13,861

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

12. Analysis of staff costs and remuneration of key management personnel

	2016	2015
	£	£
Salaries and wages	986,598	1,015,813
Social security costs	78,603	82,425
Employer contributions to defined contribution pension schemes	84,631	78,419
Employer contributions to defined benefit pension schemes	96,381	93,574
Total staff costs and employee benefits	1,246,213	1,270,231

The charitable company made £96,381 of contributions to the defined benefit pension plan, operated by The Pensions Trust, on behalf of the employees (2015: £93,574). For more information about the pension contributions refer to note 22.

The number of employees whose employee benefits fell within the following bands are as follows:

	2016	2015
	£	£
£70,000 - £80,000	1	-
£60,000 - £70,000	-	1

The key management personnel of the charitable company comprise of the chief executive and the senior management team. The total employee benefits of the key management personnel were £233,357 (2015: £247,795).

	2016	2015
	No.	No.
The average number of persons, by headcount, employed by the charity during the year was:	45	46

13. Net income for the year

This is stated after charging:	2016	2015
	£	£
Depreciation	394	2,469
Auditor's remuneration: Audit fees	8,318	15,000

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

14. Tangible fixed assets

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 April 2015	175,558	52,544	228,102
Additions	1,786	-	1,786
Disposals	(15,939)	(50,023)	(65,962)
At 31 March 2016	<u>161,405</u>	<u>2,521</u>	<u>163,926</u>
Depreciation			
At 1 April 2015	175,558	52,544	228,102
Charge for the year	394	-	394
Eliminated on disposals	(15,939)	(50,023)	(65,962)
At 31 March 2016	<u>160,013</u>	<u>2,521</u>	<u>162,534</u>
Net book value			
At 31 March 2016	<u>1,392</u>	<u>-</u>	<u>1,392</u>
At 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>

15. Debtors

	2016 £	2015 £
Trade debtors	286,352	67,946
Prepayments and accrued income	146,681	286,637
	<u>433,033</u>	<u>354,583</u>

16. Financial assets and liabilities

	2016 £	2015 £
Financial assets at amortised cost	433,033	354,583
Financial liabilities	456,775	392,600
	<u>889,808</u>	<u>747,183</u>

Financial assets at amortised cost comprise of trade debtors, accrued income and prepayments, all due within one year.

Financial liabilities comprise of trade and other creditors, social security costs, deferred income, defined benefit pension scheme liability and accrued expenses, all due within one year.

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

17. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	55,473	82,359
Other creditors and accruals	28,030	27,558
Deferred income (Note 18)	225,781	157,095
Taxation and social security costs	41,651	29,207
Defined benefit pension scheme	105,840	96,381
	<u>456,775</u>	<u>392,600</u>

18. Deferred income

	£
Balance as at 1 April 2015	157,095
Amount released to income earned from charitable activities	(157,095)
Amount deferred in year	225,781
	<u>225,781</u>
Balance as at 31 March 2016	<u>225,781</u>

Deferred income comprises income received before the year end, for use on charitable activities during the 2016/17 financial year end. All deferred income relates to performance related grants, where the conditions have not yet been met in order to recognise the income.

19. Creditors: Defined benefit pension provision

	2016	2015
	£	£
Defined benefit pension scheme		
Due > 1year	1,206,160	1,047,619
	<u>1,206,160</u>	<u>1,047,619</u>

The defined benefit pension scheme liability due in less than one year is included under note 17.

20. Lease commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

	Rent	Rent
	2016	2015
	£	£
Building – 5 Cadogan Square		
1 year	111,071	166,606
2 – 5 years	-	111,071
	<u>111,071</u>	<u>277,677</u>

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

21. Analysis of charitable funds

Analysis of Fund movements	Balance b/fwd £	Income £	(Expenditure)/ Gains/(Losses) £	Transfers £	Fund c/fwd £
Unrestricted funds (a)					
General funds	(36,676)	838,813	(925,277)	985,750	862,610
Designated funds (b)					
Potential pension withdrawal liability	964,416	-	-	(964,416)	-
Development & change ICT	273,241	-	(37,361)	(135,880)	100,000
Property repairs	25,089	-	-	44,911	70,000
SRC 30 th anniversary	20,000	-	-	80,000	100,000
	30,000	-	(19,635)	(10,365)	-
	1,312,746	-	(56,996)	(985,750)	270,000
Total unrestricted funds	1,276,070	838,813	(982,273)	-	1,132,610
Restricted fund (c)					
Refugee & Asylum Services	-	1,253,657	(1,253,657)	-	-
Refugee Integration Policy & Advocacy	-	270,817	(270,817)	-	-
	-	19,225	(19,225)	-	-
Total restricted funds	-	1,543,699	(1,543,699)	-	-
TOTAL FUNDS	1,276,070	2,382,512	(2,525,972)	-	1,132,610

a) The unrestricted funds are available to be spent for any of the purposes of the charitable company.

b) The Directors have created the following designated funds:

Development & change Reserve: this fund is kept aside to provide for any development or change needs, this can be to fund short term interim periods while transitioning from one project to another, or to fund redundancies.

ICT Reserve: this fund is kept to allow for the development and implementation of a new digital strategy during 2016/17.

Property Reserves: this fund has been set aside to allow for a potential move of office once the current lease comes to an end in November 2016. This fund will be used towards potential dilapidation and removal costs should the lease not be renewed.

Transfers represent movements on designated funds, in line with the reserves policy.

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

21 Analysis of charitable funds continued

c) Restricted funds comprise:

Restricted funds are split into three charitable activities:

Refugee and Asylum Services

This relates to providing services to both refugees and asylum seekers. There are various projects within this charitable activity, which are funded by: Big Lottery (Project ID 10060489), Scottish Government, British Red Cross, The Home Office, Oak Foundation, Henry Smith Foundation, NHS Glasgow and Glasgow Clyde College. All funding had been spent at the year end. Where the terms of the funding have not yet been met, and income is potentially repayable to the funder, this income has been deferred.

Refugee Integration

Integration relates to the work around the Scottish Government's *New Scots* national Refugee Integration Strategy, covering all arts and community work around integrating refugees. This project is funded by Scottish Government, Heritage Lottery (Ref: OH-14-06357), Comic Relief, Local Authorities and various small trusts. All funding had been spent at the year end. Where the terms of the funding have not yet been met, and income is potentially repayable to the funder, this income has been deferred.

Policy & Advocacy

Policy work relates to working with refugees, community groups, partner organisations and others to proactively influence UK and Scottish Government legislation, policy and practice where possible. This work is funded by the Scottish Government, Barrow Cadbury and ECRE (European Council on Refugee and Exiles). All funding had been spent at the year end. Where the terms of the funding have not yet been met, and income is potentially repayable to the funder, this income has been deferred.

22. Pensions

Scottish Refugee Council participates in the Scottish Voluntary Sector Pension Scheme ('the Scheme'). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was contracted-out of the State scheme until 31 March 2010, when the Scheme was closed to future accrual. It is a "last man standing" scheme therefore the charity can be liable to the scheme for orphan liabilities in respect of formerly participating employees.

The Trustee commissions an actuarial valuation of the Scheme every three years.

Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The last formal valuation of the Scheme was performed as at 30 September 2014, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the 30 September 2014 was £88.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £33.9 million (equivalent to a past service funding level of 72%).

The net present value of the pension obligation has been disclosed on the balance sheet. Any movement in the liability has been recognised in the Statement of Financial Activities as an actuarial (loss) on defined benefit pension schemes.

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

23. Reconciliation of net income to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per the Statement of Financial Activities)	24,540	27,164
Adjustments for:		
Depreciation charges	394	2,469
Interest	(24,543)	(20,817)
(Increase) in debtors	(78,450)	(52,214)
Increase/(decrease) in creditors	54,716	(188,268)
Net cash provided by/(used in) operating activities	<u>(23,343)</u>	<u>(231,666)</u>

24. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	2,361,120	2,361,706
Total cash and cash equivalents	<u>2,361,120</u>	<u>2,361,706</u>

25. Ultimate controlling party

In the opinion of the directors there is no ultimate controlling party.

26. FRS 102 transition

The financial statements for the year ended 31 March 2016 are the charitable company's first financial statements that comply with FRS 102. The charitable company's date of transition to FRS 102 was 1 April 2014.

At the date of transition, in applying the requirement to recognise liabilities arising from valuing the defined benefit pension scheme liability, a liability was recognised at 31 March 2014, 31 March 2015 and 31 March 2016, and comparative figures and opening balances adjusted accordingly. In accordance with the requirements of FRS 102 a reconciliation of opening balances for the year is provided. Movements on the liability have been taken to the Statement of Financial Activities as an actuarial (loss) on defined benefit pension scheme.

Restated statement of financial position

Total funds as at 31 March 2014 per signed financial statements	2,392,906
Effect of adjustment to incorporate defined benefit pension scheme past service deficit liability	<u>(1,106,000)</u>
Restated total funds as at 31 March 2014	<u>1,286,906</u>

SCOTTISH REFUGEE COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

26 FRS 102 transition continued

Restated statement of financial position

Total funds as at 31 March 2015 per signed financial statements	2,420,070
<u>Prior year adjustments</u>	
Effect of adjustments to incorporate defined benefit pension scheme past service deficit liability	(1,106,000)
<u>In year adjustments</u>	
Effect of adjustment to incorporate defined benefit pension scheme past service deficit liability	<u>(38,000)</u>
Restated total funds as at 31 March 2015	<u>1,276,070</u>

