



a company limited by guarantee and not  
having a share capital

**Report and Financial Statements  
for the year ended 31 March 2014**

**Charity number: SC008639  
Company number: SC145067**

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## Reference and Administrative Information

Company Name: Scottish Refugee Council  
Charity Registration Number: SC008639  
Company Registration Number: SC145067  
Registered Office: 12 Hope Street, Edinburgh, EH2 4DB  
Operational address: 5 Cadogan Square, 170 Blythswood Court, Glasgow, G2 7PH.

## Directors

The Directors of the charity for the financial year are as follows:

Judith Robertson **Chair**  
Douglas Campbell **Vice Chair**  
Liz Leonard  
Susan Moody  
Twimukye Mushaka  
Nicky Munro  
Laurie Naumann  
Eleanor Taylor (resigned 25/07/13)  
Ali Al-Rikabi (resigned 06/12/2013)  
Lamees Tayyem (died 3 June 2013)  
Umaima Musa  
Muleya Mundemba  
James Jopling (appointed 17/01/14)  
Katherine Jones (appointed 28/11/13)  
Sanjin Kaharevic (appointed 17/01/14)  
Dorothy Murray (appointed 28/11/13)

**Secretarial Services** Davidson Chalmers (Secretarial Services) Limited  
**Chief Executive** John Wilkes  
**Auditor** Scott-Moncrieff, 25 Bothwell Street, Glasgow, G2 6NL  
**Bankers** Bank of Scotland, 32a Chambers Street, Edinburgh, EH1 1JB  
**Solicitors** Davidson Chalmers LLP, 12 Hope Street, Edinburgh, EH2 4DB  
**Taxation** Scottish Refugee Council is a charitable company and is recognised as such by HM Revenue and Customs for taxation purposes. As a result there is no liability for corporation tax.

## Report of the Directors for the year ended 31 March 2014

The Directors are pleased to present their report together with the Financial Statements of the charity Scottish Refugee Council for the year ended 31 March 2014.

The Financial Statements comply with the Memorandum and Articles of Association of the company and the Statement of Recommended Practice – Accounting and Reporting by Charities (2005).

### Structure, governance and management

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 charity 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 15, 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. 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 10 years, their term in office as Chair or Vice Chair not exceeding six years (two terms of three years).

There were four appointments and three resignations in 2013/14. At the AGM held on 17 January 2014 no Directors were required to stand down. Two Directors were elected at the AGM on the 18 January and one re-elected. On the 28 November 2013 two co-opted directors were appointed by the Board of Directors.

## 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 2013/14 in addition to the normal board meeting cycle, a Board Strategic Review Day was held in November 2013.

## Risk management

The Board has conducted its own review of the major risks the charity faces and of the systems in place to manage those risks. Actions required to strengthen the existing systems and procedures have been identified and progress is monitored. An annual review of the major risks faced by the charity and the systems and procedures in place to deal with those risks and progress on the action plan is undertaken by the Board.

The principal risks and uncertainties the charity faced in the year ended 31 March 2014 were:

- Sources of funding become constrained due to changes in economic environment;
- Changes in governments' policy results in loss of business (Scotland, Glasgow, UK and Europe);
- Effective strategic relationships are not developed and maintained leading to loss of reputation or business;
- Public attitudes towards refugees deteriorates;
- Inability to meet pension liability; and
- Governance fails in managing financial controls and regulation compliance.

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

## Organisational structure

The body responsible for the strategic direction and governance of the organisation is the Board of Directors and they employ a Chief Executive to deliver the strategy. The Board currently meets bi-monthly and receives reports from the senior management team and the Finance and Audit Committee. Each sub-committee has specific terms of reference and functions, which are reviewed annually, delegated by the Board and a Chair appointed by the Board. In March 2013

the Board decided to amend the terms of reference for the Staffing Sub-Committee so that it now meets on an ad hoc rather than regular basis.

A clear system of delegated authority is in place and the day-to-day responsibility for the organisation's operations rests with the Chief Executive and the Senior Management Team (SMT).

### **Objectives and activities**

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.

In January at our AGM we launched a new three-year strategic plan (2014-2017) following consultation with stakeholders, staff and refugees. The strategic 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.

### **Strategy for achieving stated objectives**

During 2014-2017 we will follow the strategy below to seek to achieve our stated objectives: 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.

By the end of 2017, we aim to ensure understanding of refugees and empathy towards them in communities across Scotland does not deteriorate and we aspire to engender more positive attitudes.

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.

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 Week Scotland.

By the end of 2017, it is intended that Scotland's strategy for refugee integration *New Scots: Integrating Refugees in Scotland's Communities* will be implemented.

We will deliver the 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.

By the end of 2017, we aim to have in place a full suite of appropriate advice services which improves the protection, welfare and integration of refugees at different stages of the asylum process in Scotland.

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 works to the highest standards and provides 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.

By the end of 2017, we aim to be the most efficient organisation we can be.

### **Significant activities, achievements and performance**

Our significant charitable activities during 2013/14 are broken down into three areas:

- Refugee and Asylum services;
- Refugee Integration; and
- Policy and Advocacy.

#### **Refugee and Asylum services**

Our advice services to asylum seekers for 2013-2014 included the Scottish Induction Service (SIS) providing casework support and induction briefings for newly arrived asylum seekers; the One Stop Advice Service (OSS) supporting clients throughout the asylum process; and the Key Worker Service for Newly Arrived Asylum-Seeking Families, providing intensive casework support to new arrival families with children 0-8 years old.

SIS and OSS were delivered under a grant agreement from the Home Office until the end of 2013/14. In 2013 the Home Office reconfigured the specification of advice services to asylum seekers to a UK-wide contract and grant agreement. Scottish Refugee Council in partnership with refugee-assisting organisations in other parts of the UK were unsuccessful bidders and so from 1 April 2014 Scottish Refugee Council will no longer provide Home Office funded services to asylum seekers.

This year our Scottish Induction Service assisted over 1214 new asylum seekers with information, advice, advocacy and practical support. They originated from 48 different countries and together spoke 34 languages. We continued to ensure a range of health and other support services were made available to our clients through our strong partnerships and working with other service providers.



Our One Stop Advice Service (OSS) dealt with 12543 callers and provided 11652 advice sessions on a range of issues from help to access asylum support and legal advice to resolving education, health or destitution issues. 32% of sessions were dealt with through our free phone line. The contribution of volunteers continues to make a difference and is a valuable asset to the organisation. Volunteers have provided 25% of advice sessions and helped the organisation to deal with the high demands of enquiries from asylum seekers.

Our Key Worker Service for Newly Arrived Asylum-Seeking Families is grant funded from the Scottish Government until 31 March 2015. Our Family Key Workers aim to support over 100 newly-arrived families with children aged 0-8 years, who seek asylum in Scotland, from day one of their arrival, to ensure they benefit from a key worker approach dedicated to early intervention. This pilot service reflects Scottish Refugee Council's wider commitment that those seeking asylum or granted status under the UN Refugee Convention, receive the highest standards of service. Independent advocacy has always been integral to our approach with key work as an excellent mechanism for securing good outcomes for asylum seekers and refugees.

In 2013 Scottish Refugee Council launched a new holistic model to support refugees granted leave to remain in the UK. Our Refugee Integration Services (RIS) incorporates a more joined up approach offering combined welfare, housing and employment, individual and group advocacy, and support. This has involved the realigning of funded projects and development of new partnerships, both formal and informal.

The main example of this has been our BIG Lottery Scotland Funded partnership: the Holistic Integration Service. Sub-contracted agencies involved are: British Red Cross, Bridges Programmes, Glasgow Clyde College and Workers' Education Association (WEA) Scotland who are all delivering different aspects of this joined up service.

We continued to receive Scottish Government housing grant funding towards these services and secured other funding such as from the Henry Smith Trust. We continued to participate in an ESF funded Glasgow Works project to support the employability of newly-recognised refugees. Throughout the past year we have secured small amounts of funding to complement our integration work from Skills Development Scotland and others. Our integration work has also led to NHS Greater Glasgow and Clyde North East funding a peer education project to pilot healthy living and learning with refugees as well as people in the asylum process.

A new pilot project was also launched in 2013. Funded by the European Integration Funded and delivered in partnership with the British Red Cross (lead agency) and WEA Scotland, this project supports family members of refugees reunited in Scotland to overcome barriers to integration into Scotland. The project runs until June 2015. This pilot will be evaluated throughout by our learning partners Queen Margaret University.

During the year 2013-14, 677 people were granted leave to remain in Scotland by the Home Office and the majority of these accessed our RIS services for support and help on welfare benefits, housing, health, education and employment issues.

Scottish Refugee Council's innovative Scottish Guardianship Service project was launched by the Scottish Government Cabinet Secretary for Education in June 2010. This pilot project, the first of its kind in the UK, provided support to unaccompanied asylum-seeking and trafficked children through the provision of independent advocacy and ran from September 2010 to the end of March 2013. The service was delivered in partnership by Scottish Refugee Council and

Aberlour Child Care Trust and funded by the Big Lottery Fund Scotland, Paul Hamlyn Foundation, Diana Princess of Wales Memorial Fund and the Scottish Government. In February 2013, the Scottish Government confirmed it would fund Scottish Refugee Council and Aberlour Child Care Trust to deliver a core guardianship service from April 2013 for three years after the successful completion of the pilot. In June 2013 Scottish Refugee Council and Aberlour received recognition for the impact the service has made on the lives of separated children in Scotland by winning the prestigious Partnership of the Year award at the Scottish Charity Awards. In November 2013 this project also won the Young People's Project of the Year at the Herald Society Awards. Over the course of the year the Scottish Guardianship Service assisted a caseload of 75 clients.

We continued to ensure that all staff providing advice to refugees and people seeking asylum were appropriately trained and registered through the relevant regulatory bodies.

## **Refugee Integration**

Our support on the integration of refugees into Scottish society is delivered through our work with refugee community organisations, community engagement and cohesion activities, and our cultural, arts sport and heritage work.

We continued to work closely with and support the independent refugee-led Scottish Refugee Policy Forum (SRPF). A key area of work has been supporting them to engage and influence the New Scots integration strategy, as members of the Core Working Group and participation in thematic groups. During the past year we worked with them to co-produce and deliver a series of community conferences around the themes of health, housing, education and employability. This involved a range of stakeholders e.g. Education Scotland, Department for Work and Pensions etc. SRPF were also supported to hold an AGM in April 2014, where they reported on their activities and impact to the wider refugee community and in the company of Humza Yousaf MSP, Minister for External Affairs and International Development.

Our work supporting Refugee Community Organisations (RCOs) continued through our programme of intensive support to two RCOs at any one time. During the year we provided this capacity building support to Best Way Community Development (Motherwell) and the Congolese Community Unit Scotland. We also maintained work with the International Women's Group, Y People, Glasgow Afghan United and the Sudanese Community Glasgow. The training and support included work on developing and delivering an action plan, skilling up committee members to develop their organisations and linking them into other resources and funding opportunities. A positive example has been the Eritrean Community Residing in Scotland securing £10,000 Awards for All funding. Another example of the impact of our support provided was Y People Glasgow Residents Association which was supported to change governance and transition from Y People to become the Scottish Asylum Seekers Residents Association.

We have maintained the delivery of skills workshops and learning events which have been attended by community representatives and also wider Scots and individual refugees. Over fifteen RCOs took part in our capacity building programme in 2013-14. At our Skills Sharing Event held in March 2014 community groups met with Police Scotland to discuss community safety events. Individual groups have gone on to establish individual working relationships with Police Scotland following this.

Scottish Refugee Council continued to be a key member of the various professional networks that support community cohesion and integration in Glasgow. We worked with and supported the newly formed Glasgow Integration Network Forum (GINF) and various local integration networks. This has involved working with GINF to establish a clear Terms of Reference, objectives and indicators regarding its integration work. We have also facilitated their participation in the New Scots integration strategy and informed them of changes to asylum dispersal and support provision, brokering key contacts and communication.

Our Comic Relief funded refugee women's project continued to support and advocate on issues facing refugee women and women in the asylum process as well as provide community development support to the Refugee Women's Strategy Group (RWSG) to have their voices heard on issues important to them. In June, RWSG published its policy position on asylum in a series of recommendations entitled, *Making Asylum Work for Women*. This publication was well received and widely circulated. As a result RWSG members met with the Office of the Chief Inspector of Borders and Immigration in August to inform its inspection of asylum support and were invited to present their key recommendations for a gender sensitive asylum process to civil servants at the National Asylum Stakeholder Forum (NASF) in London in September.

Scottish Refugee Council believes that arts and culture play an important role in awareness raising and integration. During this year we continued to implement our Arts, Cultural, Sports and Heritage strategy. This has had significant impact: the development of strategic relationships with Creative Scotland (reflected in their 10 Year Plan and input into a senior management meeting in December 2013); influencing the Scottish Government (evidenced by asking to programme and facilitate the second ever Scottish Parliamentary Cross Party Group on Culture in December 2013), and Glasgow Life. We have established a strong working relationship to take this area forward through joint programming in the future.

We continued with our annual co-ordination of Scottish Refugee Week 2013 and in 2013 we distributed over 22,000 programme brochures across Scotland. Scottish Refugee Council organised the launch event with a keynote speech from Scotland's Deputy First Minister and Minister for External Affairs and International Development. We also held an event in the Scottish Parliament with over 100 guests and MSP's and assisted with a Scottish Parliamentary motion supporting the festival. Each year the festival consisted of over 120 diverse events including theatre, dance, exhibitions, sport, film, cultural celebrations and educational opportunities attended by an estimated 21,000 people. We facilitated and resourced the development of over 36 community events during 2013-14.

During 2013-14 we delivered high profile work that received praise from both critics and funders. We worked in partnership with Citizens Theatre to stage a community oratorio '*Here We Stay*' (4\* review). We supported the development of Glasgow Girls with the Citizens and National Theatre of Scotland which also garnered a 4\* review, and has gone on to be filmed by the BBC. '*A View from Here*' our most recent collaboration funded by Heritage Lottery Funded (and New Gorbals and Glasgow Housing Association) led to the development of professional skills and employability outcomes for participants, media interest and praise from arts critics and exhibitions as in Kelvingrove Art Gallery and Museum. The documentary capturing the housing heritage of Glasgow and dispersal of refugees is being shown as part of Glasgow 2014 Cultural Festival. The project was shortlisted for a National Lottery Award.

Through discussions started in 2013-14 we have advocated with and influenced refugee participation in all aspects of the Commonwealth Games. A key area has been volunteering: refugees and asylum seekers after having barriers presented to being 2014 volunteers' were prioritised for inclusion as Host City Volunteers. Our service users' have benefited from this and other opportunities to participate such as Baton Bearers due to our work. Ten community groups also directly benefited from our partnership work and others were enabled to apply directly for Celebrate funding after our capacity building and brokering of a refugee stakeholder event in November 2013.

Our training service continued to improve understanding and awareness of refugee issues and help other statutory and voluntary agencies and services adapt to the needs of refugees and assist in their integration. We delivered courses to a range of statutory and voluntary sector audiences.

### **Policy and Advocacy**

We continued to work with key partners in Scotland, the United Kingdom and Europe on influencing policy and practice. We worked with a number of key Scottish MPs and MSPs.

We worked with key regulators such as the Equality and Human Rights Commission, Scottish Human Rights Commission and the Scottish Commissioner for Children and Young People on various aspects of our priorities. We remain the only Scottish organisation to sit on the Independent Chief Inspector of Immigration and Borders' advisory forum on refugees. We spoke at a number of events and conferences in Scotland and the United Kingdom and continue to sit on a number of key advisory bodies such as the Home Office National Asylum Stakeholders Forum and its various sub-groups.

The publication and launch of the *New Scots: Integrating Refugees of Scotland's Communities* (2014-2017) took place on 10 December 2013 hosted by the Minister for External Affairs and International Development, Humza Yousaf MSP.

This strategy document to support the integration of refugees in Scotland from day-one of their arrival was the outcome of successful influencing of the current Scottish Government to review the first Scotland-wide strategy and action plan published in February 2003 during the Labour / Liberal Democrat coalition.

Scottish Refugee Council worked closely with the Scottish Government to produce this new strategy which took over a year to develop. Many public services, organisations and refugee representatives were involved in the development of the actions in this strategy. Scottish Refugee Council will be involved in all aspects of its implementation, including supporting refugee representatives to participate in the process.

Our children's policy work has centred on issues arising from the Scottish Guardianship Service. In February in response to a recommendation of the Joint Committee on Human Rights for the UK Government to adapt and roll out the Scottish Guardianship Service model across the UK, the Home Office committed to developing independent advocates for trafficked young people. Scottish Refugee Council and Aberlour were subsequently invited to give evidence to the Modern Slavery Bill Committee in Westminster in February which was looking at this new provision as part of their work on the Bill.

Our housing development and policy work concentrated on taking forward policy and advocacy work in improving housing providers' practice. We continued to develop our contacts with registered social landlords and housing associations and conclude formal partnership arrangements. We have worked with Glasgow City Council homelessness services and social housing providers.

We have continued to maintain a high profile around the Scottish independence referendum throughout the year. This included holding a debate on the Scottish referendum after our AGM in January as well as speaking at various other events. Our report *"Improving the Lives of Refugees in Scotland after the Referendum an Appraisal of the Options"* (2013) was cited as a best practice by the Carnegie Trust and OSCR in how the third sector can engage in the referendum debate in a non-partisan manner. In November several recommendations from our report were included in the Scottish Government's White Paper proposals for an independent Scotland.

As part of our advocacy work with refugee women, we successfully secured funding from the Scottish Government and the Rosa Fund to carry out a scoping study on FGM in Scotland. The project seeks to make a significant contribution to knowledge about FGM in Scotland, providing a credible and comprehensive baseline to inform future evidence-based interventions, community engagement, legislative and policy work by Scottish Refugee Council, the Scottish Government and other stakeholders in Scotland.

We responded to a number of public consultations in the year from the Scottish and UK Governments on a range of topics. We submitted written responses to a number of inquiries including the Westminster Home Affairs Select Committee's inquiry into asylum.

Our work in raising awareness of refugee and asylum matters in the media continued. Scottish Refugee Council featured in many print and broadcast stories on a variety of refugee and asylum issues throughout the year. This included many stories and profiles linked to topics such as the Home Office's Go Home campaign and the Syrian conflict.

Our public Open Your Eyes to Destitution campaign with the Refugee Survival Trust was brought to a close at the end of May 2014. In total we received 3000 e-signatures and 35 civil society organisations gave us their support and generated significant high quality broadcast, print and online coverage. The campaign achieved its target of increasing significant political, media and public awareness in Scotland of the issues of asylum destitution.

During the year we supported over thirty refugees to tell their stories in media articles. This featured a mixture of print, television and radio. Our use of social media such as blogs, Twitter and Facebook continued to expand and hits on our website continued to increase.

### **Developing an effective organisation**

We have continued to invest in our staff and volunteer force, diversifying our funding and improving the efficiency and effectiveness of our organisation to ensure quality and value for money.

Our senior management team participated in a development day in July 2013 looking at how to improve effectiveness and cross department and team working.

As part of the internal audit process in 2013/14 our internal auditors, Chiene+Tait, conducted the following reviews: Corporate Governance, Fundraising and Information dissemination all of which received a reasonable assurance rating.

We continued to invest in expanding our volunteering capacity during the year, holding 11 volunteering information sessions during 2013-14. A total of 73 new volunteers were successfully recruited including 15 volunteers with a refugee background. All volunteers were inducted to the organisation volunteering in a variety of roles across all the organisation's functions and activities. Our total active volunteer force for the year remained steady with 58 volunteers at the end of March 2014. We are an Investing in Volunteers accredited organisation. We have continued to develop working partnerships with other volunteering groups to provide wider volunteering opportunities for our clients.

IT support systems for service delivery and administration systems were progressed and completed and a 3 year ICT strategy will be undertaken next year.

### **Costs of generating funds**

We continued to work towards our fundraising strategy agreed by the board in November 2010.

The Head of Funding Development (HFD) is a member of the senior management team and works with colleagues to support the work on key funding priorities and major grants. The HFD also leads on the other areas of the strategy in diversifying our funding base, increasing unrestricted funding and developing a strategy on major donors and givers. The Trusts and Supporters Officer is focussed on generating restricted and unrestricted funds through approaches to trusts and foundations and building our membership and general supporter and donor base.

Voluntary income is one part of the income generation that the funding development strategy covers. Voluntary income can come from membership and donations which has decreased from £30,282 (2012/13) to £19,483 (2013/14) while income from small trusts and other areas increased in the year by 5% (£17,000). This increase in voluntary income is encouraging and demonstrates a positive direction in this work. The costs of generating funds have decreased by 2% from £22,354 to £21,906.

### **Support costs**

Support costs totalled £116,972 (2013/14) compared with £166,212 (2012/13).

Support costs are the administration and overhead costs that cannot be directly attributed to our charitable activities. They are allocated to our charitable activities on the basis of staff numbers in each area of activity as is demonstrated on page 27, note 6. Support costs have reduced by 30% from the previous year. The recommendations delivered in March 2013 on a streamlined structure and other process improvements were implemented during 2013/14.

Support costs include the staff and overhead costs associated with Finance, Human Resources, IT, Administration, Health and Safety and Facilities Management and are managed within the Resources Team.

The Health and Safety Committee continued its work in delivering the annual action plan. We are supported by health and safety consultants in ensuring compliance and development of Health and Safety in our organisation.

## **Governance**

Governance costs totalled £121,330 (2013/14) compared with £106,285 (2012/13).

As can be seen from note 7, page 27, a total of £93,220 (2013/14) was expended on ensuring the strategic direction and management of the organisation was maintained. Governance costs include strategic management as well as the fees in relation to the external audit, internal audit, annual report and legal services. Strategic management includes senior management time spent on supporting and servicing Board and Committee meetings, strategic planning and governance-related activities.

In 2013/14 a total of five Board meetings were held, four meetings of the Finance and Audit Committee were held and no meetings of the Staffing Sub-Committee. The board also held a strategic development day in November 2013.

The risk register for 2013/14 was considered by the board at their meeting in March 2013 and was approved by the Board. Quarterly reports on risk management are reviewed by the Senior Management Team and bi-annually by the Finance and Audit Committee and the Board.

## **Plans for future periods (SMT)**

As already noted the Board reviewed the strategic plan at its strategic day in November 2013 and approved a revised strategic plan for 2014-2017. This was launched at the AGM in January 2014.

## **Directors' responsibilities in relation to the financial statements**

The Directors are responsible for preparing the Directors' 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 financial year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the net income and expenditure, of the charitable company for the year. In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping proper accounting records that 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). The applicable law also sets out the Directors' responsibilities for the preparation and content of the Directors' Report.

The Directors 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 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Financial review**

Income for the year has increased from £2,591,034 (2012/13) to £2,667,256, an increase of £76,222 or 2.94%. Expenditure has reduced from £2,679,458 (2012/13) to £2,647,058 (2013/14), a decrease of £32,400 or 1.2%, resulting in a surplus in this year of £20,198 (2013/14) or 0.8% of incoming resources. The decrease in expenditure reflects the organisational changes undertaken in 2013/14.

The Directors note that this outcome will assist in its goal of developing appropriate financial reserves. This is particularly necessary given the continuing difficult economic situation we face with the pressure on public sector finances and the liabilities that the organisation has to provide for.

Whilst the Directors note that this result will have a positive impact on our overall general reserves, they remain cautious about our future and the ability of the organisation to meet its ongoing deficit liabilities to Scottish Voluntary Sector Pension Scheme (SVSPS), a defined benefit scheme. They regularly review our position and put into place measures to minimise the organisation's risk exposure.

As noted previously, certain advice and casework support services were delivered under a grant agreement from the Home Office until the end of 2013/14 and from April this Home Office funded service will no longer be provided by Scottish Refugee Council. Asylum services continue to be offered through a new project from October 2013 to support newly arrived asylum seeking children and their families. This is a new project which started in October 2013 with Scottish Government funding to assist new families arriving in Scotland.



Our Scottish Government Strategic Grant has been confirmed at the same level for 2014/15 of £550,000.

A significant new source of funding in 2013-14 has been the integration project funded by Big Lottery which continues until January 2016.

The Directors consider it vital within our changing financial environment, to continue to work towards reaching the charity's target of having six months running costs in reserves, whilst also recognising the significant changes the organisation is facing. Therefore, in this year they have confirmed that the "organisational development and change" reserve set-up in 2010 is still required. Funds from the reserve will be used to assist the organisation in preparing for the future.

The new joint client database (JCDB) system implemented in 2011/12, a joint project with British and Welsh Refugee Councils, has been further developed in 2013/14 to meet the future needs in managing our asylum and refugee casework. The Directors acknowledged that this project was a priority for the efficient future direct delivery of services to refugees. £100,000 previously set aside in a specific designated "Information and Communication Technology (ICT)" reserve, has been utilised to ensure provision was made for this and other Information and Communication Technology (ICT) developments. The remaining funds within this reserve are necessary for an ICT strategy to be undertaken in 2014-15.

## **Pensions**

Scottish Refugee Council is a member of Scottish Voluntary Sector Pension Scheme, a defined benefit scheme, which closed to future accruals on 31 March 2010.

Note 18, page 32, identifies that Scottish Refugee Council has an estimated employer debt of £3,050,041 based on the actuarial valuation undertaken in September 2011. The Directors note that this debt can fluctuate either way as the comparative figures for the previous two years confirms, estimated employer debt £2,461,000, September 2010 and £1,850,000, March 2010. Scottish Refugee Council will for the foreseeable future continue to be liable to pay contributions towards the scheme deficit. For 2013/14 this is calculated to be £90,848, escalating by 3% in April each year.

The Directors consider it important for the long-term future of the organisation to continue to set aside funds in the designated reserve, potential debt on withdrawal from pension scheme (note 16, page 32). The longer term strategy is to be able to pay this debt in full and be free of any future liabilities.

## **Principal funding sources**

Scottish Refugee Council has a diverse funding base as can be seen from note 3, page(s) 25 and 26. The grants received from our charitable activities totalled £2,553,363 (2013/14) from 20 different sources.

Our main statutory funders are the Scottish Government and the UK Border Agency who provided a total of eight grants totalling £1,703,210 towards our charitable activities in 2013/14.

Funding is provided by BIG Lottery for a 36-month programme from February 2013 to deliver a holistic integration service for refugees and delivered by Scottish Refugee Council in association with four partners.

Glasgow Works ESF funded a project to assist refugees into employment and education.

Following on from the successful pilot of Guardianship project which was completed in 2012/13, we continue to lead on this project with our delivery partner, Aberlour Children's Charity, who are providing the guardian service to young unaccompanied refugees who arrive in Scotland. This service is funded by the Scottish Government.

Comic Relief funded a three year project, totalling, £414,693 starting in February 2013 to take forward our research and development of women's issues.

We are also grateful to all the charitable trusts that have funded us over the year including the Diana, Princess of Wales, Memorial Fund which awarded a legacy grant of £78,000 to support our policy work and Goldberg Charitable trust who part fund our work in development and support to Refugee Community Organisations.

We received funds from Creative Scotland (£7,201), EIS (£3,000), GHA (£4,000), the Martin Connell Charitable Trust (£1,000) and some smaller trust donations all of which enabled us to plan and fund a number of community events to go ahead during Refugee Week in both calendar years 2013 and 2014.

Heritage Lottery has also supported the arts and cultural programme having funded the highly successful '*A view from here*' documentary film and exhibitions.

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

### **Reserves policy**

Scottish Refugee Council has built up a fund total of £2,392,906 through prudent management. Providing services to refugees and asylum seekers in a volatile and uncertain market subject to sudden changes in legislation which 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 is £1,318,823 at 31 March 2014. The actual free reserves at 31 March 2014 were £1,112,736 which is £206,087 short of the target figure. The Directors recognise that this is less than the target of six months, amounting to five 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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**Auditor**

A resolution was passed at the AGM in January re-appointing Scott Moncrieff as auditor for the charity.

**Small Company Exemptions**

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

Approved by the Directors on 18 September 2014 and signed on their behalf by:



Judith Robertson (Chair)



Laurie Naumann (Director)

## **Independent Auditor's Report to the Directors and members of Scottish Refugee Council for the year ended 31 March 2014**

We have audited the financial statements of Scottish Refugee Council for the year ended 31 March 2014 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with chapter 3, part 16 of the Companies Act 2006 and to the charity'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 charity's trustees 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 charity and its 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 in the Directors' Report, the directors (who are also the Trustees of the charitable company for the purpose of charity 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 (APB'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 website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2014 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 the 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).

### **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.

### **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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report; or
- the directors were not exempt from the requirement to prepare a strategic report.

*Scott-Moncrieff*

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

Dated: 18 September 2014

**Statement of Financial Activities (SOFA) (incorporating the Income and Expenditure Account) for the year ended 31 March 2014**

	Notes	Unrestricted Funds	Restricted Funds	2014	2013
<b>Incoming resources</b>					
Incoming resources from generated funds: -					
Voluntary Income	2	19,483	-	19,483	30,282
Investment Income		41,094	-	41,094	46,855
Incoming resources from charitable activities: -					
Grant income	3	758,829	1,794,534	2,553,363	2,448,469
Income from training, events and publications	4	<u>53,316</u>	<u>-</u>	<u>53,316</u>	<u>65,428</u>
<b>Total incoming resources</b>		<b><u>872,722</u></b>	<b><u>1,794,534</u></b>	<b><u>2,667,256</u></b>	<b><u>2,591,034</u></b>
<b>Resources expended</b>					
Costs of generating funds	5	21,906	-	21,906	22,354
Charitable activities - Activities in furtherance of the charity's objectives	6	789,885	1,713,937	2,503,822	2,550,819
Governance costs	7	<u>40,733</u>	<u>80,597</u>	<u>121,330</u>	<u>106,285</u>
<b>Total resources expended</b>		<b><u>852,524</u></b>	<b><u>1,794,534</u></b>	<b><u>2,647,058</u></b>	<b><u>2,679,458</u></b>
<b>Net incoming/outgoing resources before transfers</b>		<b>20,198</b>	<b>-</b>	<b>20,198</b>	<b>(88,424)</b>
<b>Transfer between Funds</b>	9	<u>87,278</u>	<u>(87,278)</u>	<b>-</b>	<b>-</b>
<b>Surplus/ (Deficit)</b>		<b>107,476</b>	<b>(87,278)</b>	<b>20,198</b>	<b>(88,424)</b>
<b>Fund balances at 1 April 2013</b>		<b><u>2,285,430</u></b>	<b><u>87,278</u></b>	<b><u>2,372,708</u></b>	<b><u>2,461,132</u></b>
<b>Fund balances at 31 March 2014</b>		<b><u>2,392,906</u></b>	<b>-</b>	<b><u>2,392,906</u></b>	<b><u>2,372,708</u></b>

All the activities of the charitable company are based as continuing

The notes on pages 23 to 35 form part of the financial statements

**Balance Sheet as at 31 March 2014**

	Notes	2014		2013	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	11		2,469		8,920
<b>Current Assets</b>					
Debtors	12	302,369		267,754	
Cash at bank and in hand		<u>2,572,555</u>		<u>2,666,370</u>	
		2,874,924		2,934,124	
Creditors: amounts falling due within one year	13	<u>484,487</u>		<u>570,336</u>	
<b>Net Current Assets</b>			<u>2,390,437</u>		<u>2,363,788</u>
<b>Net Assets</b>			<u>2,392,906</u>		<u>2,372,708</u>
<b>Funds</b>					
Designated funds	16		1,280,170		1,229,837
General funds	16		1,112,736		1,055,593
Restricted funds	17		-		<u>87,278</u>
<b>Total</b>			<u>2,392,906</u>		<u>2,372,708</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Directors on 18 September 2014 and signed on their behalf by:



Judith Robertson  
Chair



Laurie Naumann  
Director

**Company Registration No: SC145067**

**The notes on pages 23 to 35 form part of these financial statements**

Cash Flow Statement for the year ended 31 March 2014

	Notes	2014 £	2013 £
<b>Net cash outflow from operating activities</b>	(a)	(131,949)	(187,938)
<b>Return on investments and servicing of finance</b>			
Bank Interest		41,094	46,855
<b>Capital Expenditure</b>			
Payments to acquire tangible fixed assets		(2,960)	(16,158)
<b>Decrease in Cash</b>	(b)	(93,815)	(157,241)

Notes to the Cash Flow Statement

(a) Reconciliation of operating surplus/(deficit) to net cash outflow from operating activities

	2014 £	2013 £
Surplus/(Deficit)	20,198	(88,424)
Increase in debtors	(34,615)	(65,693)
Increase/(decrease) in creditors	5,268	80,233
(Decrease)/increase in provisions	-	-
(Decrease)/increase in deferred income	(91,117)	(92,512)
Depreciation	9,411	25,313
Bank Interest	(41,094)	(46,855)
<b>Net cash outflow from operating activities</b>	<b><u>(131,949)</u></b>	<b><u>(187,938)</u></b>

(b) Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Net liquid resources at 31 March 2013	2,666,370	2,823,611
Decrease in cash	(93,815)	(157,241)
<b>Net liquid resources at 31 March 2014</b>	<b><u>2,572,555</u></b>	<b><u>2,666,370</u></b>

The notes on pages 23 to 35 form part of these financial statements



## Notes to the Financial Statements for the year ended 31 March 2014

### 1. Accounting Policies

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards in the United Kingdom, with the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

#### ***Going concern***

A deficit has been budgeted for in the next financial year to provide additional investment capacity to secure future funds and grants. However from 1 April 2014, the charity expects to return to a breakeven position or surplus. The Scottish Refugee Council has a healthy bank balance and strong net assets and thus the directors have prepared the financial statements on a going concern basis.

#### ***Fixed assets***

Fixed assets are included in the balance sheet at cost.

A full year's depreciation is provided in the year in which the fixed assets are purchased and depreciation is calculated using the straight-line method. The rates of depreciation used for tangible fixed assets capitalised are:

Computer equipment	2 years	50%
Equipment, Fixtures & Fittings	3 years	33 <sup>1</sup> / <sub>3</sub> %

Purchases of equipment, fixture and fittings, funded from a Capital Grant or which form part of a major refurbishment are capitalised provided the individual value of the asset is over £500.

#### ***Grant income***

Grant income is credited in the year to which it relates. Such income is only deferred where the terms of the grant stipulate that the grant may only be used in future accounting periods or there are conditions imposed that must be met before Scottish Refugee Council has unconditional entitlement.

#### ***Membership and donations***

Memberships and donations are credited in the year in which they relate.

#### ***Investment income***

Investment income is recognised on a receivable basis.

### ***Resources expended and allocation of expenditure***

Expenditure is recognised on an accruals basis as a liability is incurred. Where possible, expenditure is allocated to the category to which it relates. Where this is not possible, expenses are apportioned on the basis of the time spent by staff on each activity.

### ***Costs of generating funds***

Costs of generating funds are those costs incurred in attracting voluntary income.

### ***Charitable expenditure***

Charitable expenditure comprises those costs incurred by Scottish Refugee Council in the delivery of activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### ***Governance costs***

Governance costs comprises all costs involving the public accountability of the charity and its compliance with regulation and good practice together with costs in relation to the charity's strategic direction and management. These costs include costs related to the statutory audit and legal fees associated with requirements of the company secretary.

### ***Support costs***

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Details of the basis of allocation are provided in note 6 page 27.

### ***Pensions***

Scottish Refugee Council operates a multi-employer defined benefit scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the charity. 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.

This scheme closed to future accruals on 31 March 2010 due to the deficit situation, outlined in note 18 page 32.

From 1 April 2010 a defined contribution pension has been available for staff.

We will also offer the option to join a personal pension scheme based on the government minimum's for pension auto enrolment sometime during 2014.

**Value added tax**

The charity re-registered for VAT from 01 July 2013.

**Funds**

Restricted funds are those received for specific purposes. They cannot be spent on general activities. Designated funds have been set aside by the Directors for a particular future event. General funds can be spent at the Directors' discretion.

**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.

<b>2 Incoming resources from generated funds</b>	<b>2014</b>	<b>2013</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>£</b>	<b>£</b>
<b>Voluntary Income</b>		
Donations	15,074	24,502
Membership Fees	4,409	5,780
	<u>19,483</u>	<u>30,282</u>

<b>3 Grant Income</b>	<b>2014</b>		<b>2013</b>
	<b>Unrestricted</b>	<b>Restricted</b>	
	<b>£</b>	<b>£</b>	
<b>Grant income</b>			
Scottish Government – RRR1	550,000	-	550,000
Scottish Government – Housing	-	130,000	130,000
Scottish Government – PSP	-	87,179	-
Scottish Government – Age Assessment	-	-	5,000
Guardianship Pilot Project	-	200,000	50,000
SG – Refugee Women	-	901	-
Employability Skills	-	-	-
Scottish Government - FGM	-	4,839	-
UKBA Asylum Service Main Grant	-	628,332	628,332
UKBA OSS move on	57,706	-	52,096
UKBA Transition costs	44,250	-	238,385
ESF Priority 5 – Glasgow Works	-	113,160	90,000
EIF - BRC	-	3,350	-
Big Lottery – Policy and Communications	-	-	<u>216,821</u>
<b>Carried forward</b>	<u>651,956</u>	<u>1,167,761</u>	<u>1,960,634</u>

3 Grant Income (continued)	2014		2013
	Unrestricted £	Restricted £	£
<b>Brought forward</b>	<u>651,956</u>	<u>1,167,761</u>	<u>1,960,634</u>
Big Lottery – Guardianship Pilot Project	-	-	123,227
Big Lottery – JNC	-	365,531	21,484
Local Authorities	28,873	-	20,870
<b>Charitable Trusts</b>			
HBOS Foundation	-	6,250	34,500
Creative Scotland	-	7,201	64,808
Lord Provost (Glasgow) Trust Fund	-	-	6,000
Comic Relief	-	143,972	81,134
Diana, Princess of Wales, Memorial Fund	78,000	-	52,338
The Paul Hamlyn Foundation	-	3,000	47,000
<b>Heritage Lottery Fund</b>	-	61,050	-
The Russel Trust	-	-	2,000
Rosa Fund	-	833	-
EIS – Refugee Week	-	3,000	3,000
Glasgow Housing Association	-	4,000	2,000
SJPB – Refugee Week	-	-	10,000
The Henry Smith Charity	-	23,600	-
<b>Goldberg Charitable Trust</b>	-	6,000	3,667
The Hugh Fraser Foundation	-	-	-
The Martin Connell Charitable Trust	-	1,000	-
Voluntary Action fund	-	-	9,557
The Craignish Trust	-	-	3,000
HBOS Foundation	-	-	1,250
James Weir Foundation	-	-	1,000
The Margaret Murdoch Charitable Trust	-	-	1,000
Small trusts	-	1,336	-
	<u>758,829</u>	<u>1,794,534</u>	<u>2,448,469</u>

<b>4 Other income</b>				<b>2014</b>	<b>2013</b>	
				<b>£</b>	<b>£</b>	
Training Fees				7,335	16,279	
Information Events				-	125	
Miscellaneous Income				45,981	49,024	
				<u><b>53,316</b></u>	<u><b>65,428</b></u>	
 <b>5 Costs of generating funds</b>				<b>2014</b>	<b>2013</b>	
				<b>£</b>	<b>£</b>	
Donations				16,948	18,087	
Membership Fees				4,958	4,267	
				<u><b>21,906</b></u>	<u><b>22,354</b></u>	
 <b>6 Resources expended on charitable activities</b>						
	<b>Basis of allocation</b>	<b>Refugee and Asylum Services</b>	<b>Refugee Integration</b>	<b>Policy and Advocacy</b>	<b>Total 2014</b>	<b>Total 2013</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Costs directly allocated to activities</b>						
Staffing	Direct	663,658	411,967	324,932	1,400,557	1,424,285
Project	Direct	473,362	84,465	84,177	642,004	599,828
Overhead	Direct	163,143	101,271	79,876	344,290	360,494
 <b>Support costs allocated to activities</b>						
Staffing	Staff No's	46,921	28,525	22,671	98,117	139,981
Other	Staff No's	9,166	5,364	4,324	18,854	26,231
 <b>Total resources expended</b>		<u><b>1,356,250</b></u>	<u><b>631,592</b></u>	<u><b>515,980</b></u>	<u><b>2,503,822</b></u>	<u><b>2,550,819</b></u>
 <b>7 Governance costs</b>				<b>2014</b>	<b>2013</b>	
				<b>£</b>	<b>£</b>	
Strategic Management				93,220	71,949	
External Audit				6,012	6,000	
Internal Audit				8,429	8,547	
Annual Report				3,129	4,703	
AGM				3,530	754	
Legal Fees				4,682	8,547	
Board Costs				2,328	5,785	
				<u><b>121,330</b></u>	<u><b>106,285</b></u>	

<b>8 Charitable Expenditure</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
This includes expenditure for:		
Operating lease charges – property	157,632	157,632
Depreciation	9,411	25,313

**9 Transfers between Funds**

1. The contract with UKBA Asylum Services was completed during the year and all restricted funds are spent. Accounting balances are now transferred to unrestricted funds.
2. Note 16 (Page 31), reflects transfers from general reserve to designated reserves reflecting pension commitments and development and change commitments. These allocations are based on the charity's reserve policy.

<b>10 Staff numbers and costs</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,207,642	1,208,447
Social security costs	95,412	91,270
Pension costs	<u>152,537</u>	<u>178,898</u>
	<b><u>1,455,591</u></b>	<b><u>1,478,615</u></b>

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
The average number of monthly paid staff during the period was	48	48
The full time equivalent number of monthly paid staff during the period was	41	43

Included within the wages and salaries figure is £53,208 (2013: £24,954) of redundancy costs.

The number of employees whose remuneration amounted to more than £60,000 in the year was as follows:

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	1	1

Total pension fund contributions paid on behalf of the above amounted to £5,997 (2013: £5,938).

Directors are not remunerated. The total received by Directors for reimbursement of expenses for attending meetings amounted to £827 (2013/14) compared to £887 (2012/13). Reimbursements were paid to seven Directors in 2013/14 and to the same number in 2012/13. The organisation purchased Directors Indemnity Insurance totalling £1,880 (2013/14) and £1,880 (2012/13).

11 Tangible fixed assets	Computer Equipment	Equipment Fixtures & Fittings	Total
Cost	£	£	£
As at 1 April 2013	172,598	52,544	225,142
Additions	<u>2,960</u>	-	<u>2,960</u>
At 31 March 2014	<u>175,558</u>	<u>52,544</u>	<u>228,102</u>
<b>Depreciation</b>			
As at 1 April 2013	164,520	51,702	216,222
Charge for year	<u>8,569</u>	<u>840</u>	<u>9,411</u>
At 31 March 2014	<u>173,089</u>	<u>52,544</u>	<u>225,633</u>
<b>Net Book Value</b>			
At 31 March 2014	<u>2,469</u>	-	<u>2,469</u>
At 31 March 2013	<u>8,078</u>	<u>842</u>	<u>8,920</u>
<b>12 Debtors</b>		<b>2014</b>	<b>2013</b>
		£	£
Trade Debtors		73,639	10,234
Prepayments and Accrued Income		<u>228,730</u>	<u>257,520</u>
		<u>302,369</u>	<u>267,754</u>
<b>13 Creditors: Amounts falling due within one year</b>		<b>2014</b>	<b>2013</b>
		£	£
Trade creditors		141,875	202,713
Accruals		139,817	100,435
Deferred income (Note14)		176,071	267,188
VAT Liability		<u>26,724</u>	-
		<u>484,487</u>	<u>570,336</u>

Included in accruals are the amounts payable in respect of unpaid pensions amounting to £8,246 (2012/13: £8,440).

<b>14 Deferred income</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Scottish Government	-	137,500
Scottish Government – PSP	95,321	-
SG – Employability Skills	209	-
Scottish Government - FGM	15,170	-
Big Lottery - JNC	8,952	10,742
HBOS Foundation	22,868	22,868
Paul Hamlyn	-	3,000
Diana, POW	-	78,000
HBOS Foundation	-	6,250
NHS Greater Glasgow & Clyde	16,000	-
Educational Institute of Scotland	3,000	3,000
Legacy – Fulton	10,000	-
Refugee Week Income	2,341	-
Miscellaneous Income	710	-
Other Small Trusts	500	833
Celtic FC Foundation	1,000	-
SRC Training Fees	-	4,995
<b>Balance at 31 March 2014</b>	<u><u>176,071</u></u>	<u><u>267,188</u></u>

  

<b>15 Provision for liabilities</b>	<b>Redundancy Costs</b>	<b>Total</b>
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At 1 April 2013	-	-
Additions in the year	-	-
Utilisation during the year	-	-
At 31 March 2014	<u><u>-</u></u>	<u><u>-</u></u>

There is no provision required at 31 March 2014.



16 Unrestricted Funds	Balance at 1 April 2013	Incoming resources	Outgoing resources	Balance at 31 March 2014
	£	£	£	£
<b>Designated Funds</b>				
(i) Potential debt on withdrawal from pension scheme	833,695	128,145	-	961,840
(ii) Development and change	276,142	84,664	(87,565)	273,241
(iii) ICT	100,000	-	(74,911)	25,089
(iv) Property repairs	20,000	-	-	20,000
<b>Designated Funds</b>	<u>1,229,837</u>	<u>212,809</u>	<u>(162,476)</u>	<u>1,280,170</u>
<b>General Funds</b>	<u>1,055,593</u>	<u>829,241</u>	<u>(772,098)</u>	<u>1,112,736</u>
<b>Totals</b>	<u>2,285,430</u>	<u>1,042,050</u>	<u>(934,574)</u>	<u>2,392,906</u>

The Directors have decided it prudent to set aside funds in this year for expenditure which the charity is likely to incur in the future:

- (i) As disclosed in note 18 page 32, Scottish Refugee Council has a potential liability, based upon the most recent information available, of £3,050,041 in connection with their membership of the Scottish Voluntary Sector Pension Scheme (SVSPS). This is the estimated employee's debt on withdrawal. Scottish Refugee Council have no immediate plans to withdraw and have agreed to pay £90,848 (2013/14) escalating by 3% per annum to clear the actual pension liability outstanding. This designated reserve has been created to help fund future payments and to cover any future long term plans with regard to withdrawal;
- (ii) To make provision for the development of the organisation and manage change;
- (iii) To make provision for investments in communications and technology which will benefit the aims of the charity; and
- (iv) To provide for future ongoing commitments to maintenance of premises.

17 Restricted Funds	Balance at 31 March 2013 £	Incoming resources £	Resources expended £	Balance at 31 March 2014 £
Scottish Government				
Housing	-	130,000	130,000	-
SG - PSP	-	87,179	87,179	-
SG – Guardianship Pilot	-	200,000	200,000	-
SG – Refugee Women Employability Skills	-	901	901	-
SG – FGM	-	4,839	4,839	-
UKBA Asylum Services	87,278	628,335	715,613	-
ESF Priority 5 – Glasgow Works	-	113,160	113,160	-
Creative Scotland	-	7,201	7,201	-
EIF -BRC	-	3,350	3,350	-
HBOS Foundation	-	6,250	6,250	-
Goldberg Charitable Trust	-	6,000	6,000	-
Comic Relief – Women’s Development	-	143,972	143,972	-
Big Lottery - JNC	-	365,531	365,531	-
Heritage Lottery	-	61,050	61,050	-
Other restricted funds	-	36,766	36,766	-
	<u>87,278</u>	<u>1,794,534</u>	<u>1,881,812</u>	<u>-</u>

The balance in restricted funds as at 31 March 2014 relates to funds which have been granted for specific projects but which were not fully spent in the financial year 2013/14.

## 18 Pension

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.

The Scheme operated a single benefit structure, final salary with a 1/60<sup>th</sup> accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60<sup>th</sup> accrual rate and final salary with an 1/80<sup>th</sup> accrual rate, until the date of Scheme closure on 31 March 2010.

The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scottish Voluntary Sector Pension Scheme and it continues in paid-up form.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. 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.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2011, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.832 million (equivalent to a past service funding level of 69.7%).

The financial assumptions underlying the valuation as at 30 September 2008 and 30 September 2011 were as follows:

Valuation date/assumption	30 September 2008 (previous)	30 September 2011 (current valuation) nominal % p.a.
<b>Price inflation:</b>		
- Retail Prices Index (RPI)	3.2%	2.9%
- Consumer Prices Index (CPI)	n/a	2.4%
<b>Valuation discount rates</b>		
- for orphan members:		
- pre-retirement	6.8%	3.3%
- post-retirement	4.6%	3.3%
<b>for all other members:</b>		
- pre-retirement	6.8%	5.8%
- post-retirement	4.6%	4.0%
<b>Pensionable earnings growth:</b>		
(annual)	4.2% for five years 4.7% thereafter	4.4% (i.e. RPI + 1.5%)

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

From 1 April 2010 contributions in respect of future service ceased.

From 1 April 2010 a new recovery plan came into effect, following the finalisation of the 2008 valuation. Under the recovery plan Scottish Refugee Council is required to make a lump sum payment. This has now been reviewed following the 2011 valuation and will amount to £90,848 in 2013/14, escalating by 3% per annum thereafter.

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire past service deficit arising from the 2005 and 2008 valuations, on an on-going funding basis, by 31 March 2022. The required level of deficit contributions is expected to fall from 30 September 2018.

The recovery plan from the 2011 valuation has been submitted to The Pensions Regulator. The reconciliation of the shortfall between the triennial actuarial valuation periods is as follows:

There is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer becoming insolvent or ceasing to participate in the Scheme, or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Scottish Refugee Council has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Pension Scheme based on the financial position of the Scheme as at 30 September 2011. As of this date the estimated employer debt for Scottish Refugee Council was £3,050,041. The charity does not intend to withdraw from the scheme and the pension trustees have confirmed that there is no intention to wind up the scheme.

## 19 Commitments

<b>Buildings - 5 Cadogan Square</b>	<b>Annual Rent 2014 £</b>	<b>Annual Rent 2013 £</b>
2 – 5 years	<u>157,632</u>	<u>157,632</u>
<b>TOTAL</b>	<b><u>157,632</u></b>	<b><u>157,632</u></b>



**20 Analysis of net assets between funds**

	<b>General funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total</b>
	£	£	£	£
Fixed assets	2,469	-	-	2,469
Current assets	1,594,754	1,280,170	-	2,874,924
Current liabilities	<u>(484,487)</u>	<u>-</u>	<u>-</u>	<u>(484,487)</u>
Net assets at 31 March 2014	<u>1,112,736</u>	<u>1,280,170</u>	<u>-</u>	<u>2,392,906</u>

**21 Related parties**

The Poverty Alliance is a related party of the Scottish Refugee Council as Twimukye Mushaka is the Fieldwork Development Officer for the Alliance and a director of Scottish Refugee Council. During the year purchases of £200 (2013: £323) were made from Poverty Alliance.

