

Company Number SC183419
Charity Number SC007896

**EDINBURGH AND LOTHIANS REGIONAL
EQUALITY COUNCIL LIMITED**

**ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2015**



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EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2015

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LEGAL AND ADMINISTRATIVE INFORMATION

Charity name	Edinburgh and Lothians Regional Equality Council Limited
Company number	SC183419
Charity number	SC007896

The company is recognised by the Office of the Scottish Charity Regulator.

The accounts comply with the requirements of the Companies Act 2006 and the Statement of Recommended Practice - "Accounting & Reporting by Charities" (revised 2005).

Honorary President	Sir Prof. Geoff Palmer O.B.E.
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Honorary Patron	Lord Provost Rt Hon Donald Wilson
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Management Board of Directors

Chair	Foysol Hussain Choudhury M.B.E.
Vice chair	Ehtisham Ullah (Shami) Khan
Treasurer	Rev. Dr. John Christopher Wigglesworth
	Mohammad Amjad Chaudhry
	Ijaz Nazir
	Parmjit Singh
	Azra Sharif-Qayyum
	Edmund Abekhe (until November 2013)
	Melanie Beaumont
	David Hop (until December 2015)
	Cllr. Carl John
	Irina Lazarenko
	Cllr. Norma Austin Hart (until November 2014)
	Maja Gorazdowska (until November 2014)
	Jing Si (until October 2013)
	Nila Joshi (November 2015 to July 2015)

Company Secretary	Mohammad Amjad Chaudhry
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Manager	Ekta Marwaha (from August 2014)
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Principal and registered office	14 Forth Street Edinburgh EH1 3LH
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Bankers	Bank of Scotland, 6 Picardy Place Edinburgh EH1 3JT
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Independent Auditors	Thomson Cooper 22 Stafford Street Edinburgh EH3 7BD
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The Directors, who are also Trustees for the purposes of charity law, submit their report together with the financial statements for the year ended 31 March 2015.

Structure Governance and Management

Constitution

Edinburgh and Lothians Regional Equality Council (ELREC) is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. ELREC was founded in 1971 and is made up of individual members and representatives from a wide range of organisations. ELREC has a remit to work across the areas of City of Edinburgh, East Lothian, Midlothian and West Lothian Councils.

Organisation

ELREC is governed by a Management Board of 15 Directors who are elected from the membership. Those who served during the year are noted on page 1. Directors are appointed for 3 years at Annual General Meetings. Chair, Vice-Chair and Secretary are appointed to these posts for 1 year. The Management Board appoints from its members a Membership Panel, Finance and General Purposes Subcommittee and Personnel & Policy Subcommittee.

The Management Board may appoint other subcommittees, ad hoc working parties or task groups. The Management Board may also co-opt persons with expertise to offer in a subject area to the Board or its subcommittees.

Consultant Observers such as representatives from funding bodies are invited to attend Management Board meetings. The Company Secretary and President are also represented at meetings.

Induction for the Management Board is held annually, delivered by the Company Secretary and senior staff member.

Decision Making

The Management Board meets a minimum of 6 times a year. It receives reports from the Chair, subcommittees and staff. The Management Board approves the general policy which is administered by subcommittee or staff. There are three subgroups: Finance and General Purposes, Personnel and Policy and Membership Panel. Records of meetings are kept at ELREC offices.

Financial reports are produced on a monthly basis and copies supplied to the ELREC Treasurer, who in turn shares financial information with the Management Board.

Risk Management

The Directors have examined the major strategic, business and operational risks which might affect the organisation and confirm that systems have been reviewed and the necessary steps taken to lessen these risks. The major risks identified are in the area of sustaining the funding base for both core activities and continuation of projects. Steps were taken to ensure continuation of funding by regular reports to existing funders, meeting with stake holder such as Scottish Government and local authorities seeking alternative sources of income.

Mission

ELREC exists to promote equality and to fight all forms of prejudice. We believe that no one can claim to live in a fair and just society whilst prejudice and inequalities exist.

ELREC will work jointly with our beneficiaries and partners to challenge injustice and dismantle barriers which deny individuals and communities equal access to life opportunities in Edinburgh and Lothians.

Objectives

The main objectives of ELREC are:

- to work towards the elimination of discrimination in all its forms
- to reduce inequality and promote a culture of human rights
- to promote good relations between persons of protected characteristics without distinction on grounds of colour, race, nationality, ethnic or national origin, gender, marital status, disability, sexual orientation, age and creed; and
- to promote and organise cooperation in the achievement of the aforesaid purposes and to that end to bring together in ELREC, representatives of the statutory authorities and voluntary organisations engaged in the furtherance of the aforesaid purposes within the Local Authority Council areas of the City of Edinburgh, East Lothian, Midlothian and West Lothian.

The key areas of ELREC activities are namely the following:

- **Policy development**

To develop policies to ensure that agencies and employers in the statutory, non-statutory, private and voluntary sectors, especially in the Area of Benefit, are aware of the extent and nature of discrimination and inequality experienced by equality groups in the fields of social welfare, housing, employment, education and health care. To assist and encourage the aforesaid agencies and employers to implement policies and practices that will eliminate discrimination and promote equality of opportunity and good relations between persons of different groups. To ensure that service providers implement agreed policies on race relations.

- **Community support**

To support organisations in the Area of Benefit which are concerned with the promotion of equal opportunity and good relations between persons of different equality groups, by providing them with such information, advice and other forms of assistance as may be both appropriate and in keeping with the Objects.

- **Assistance to individuals**

To give information, advice and support of a non-financial nature to individuals who seek ELREC's assistance as a consequence of their experience of discrimination, in circumstances where such information, advice and support are not readily obtainable from other local agencies. In this clause 'support' may include representation at tribunals in circumstances where it is unreasonable, having regard to the financial resources available to the complainant, to expect her or him to obtain such representation.

- **Public education**

To be aware of the educational needs of various disadvantaged communities and to maintain an appropriate programme of public information and public education related to ELREC's Objects and functions.

Achievements and Performance

The 2014-2015 financial year was a busy and progressive period for ELREC. We started one of our biggest projects to date in Communities for Conservation, created a volunteering project in Volunteering to Achieve and continued and grew our other projects in TRUE Colours, YPAH, Equalities Engagement and Support and Advice. Half way through the year we had a change in Manager with Mona Adhikari leaving us and Ekta Marwaha joining until the end of March 2015. Both worked hard to grow the organisation and we have seen the fruits of that effort with one of our largest staff teams ever. The projects were all a success and helped us work towards the organisations aims.

Throughout the year we were supported in our work by the Voluntary Action Fund, Climate Challenge Fund, City of Edinburgh Council, Big Lottery and the Santander Foundation who supported an upgrade to our computer servers.

TRUE Colours

From June 2014 until March 2015 TRUE Colours have been focusing on the peer education programme. Since the programme started the TRUE Colours volunteers have been presenting workshops in primary and secondary schools throughout Edinburgh. The topics covered include raising awareness of racism, homophobia, gender equality, cultural awareness, peer education and violence and young people. The workshops have been developed by the volunteers and adjusted according to the audience's needs and ages.

Overall, during the year we reached just over 560 students, teachers and youth workers in Edinburgh and Glasgow, and visited 13 schools and community centres with the goal of addressing inequality in society. We delivered 2 workshops per month on average – 26 workshops in total, and participated as facilitators and speakers in Glasgow Learning festival, Youth Peer Conference, Approaches to Anti-Violence Work seminar and St Andrews Anti-Racism March and Rally. Moreover, volunteers attended trainings in peer education, cultural awareness and Equality Act 2010, therefore increasing their own knowledge regarding discrimination and equality. The number of volunteers increased from 4 to 15 by the end of March 2015.

We measured the impact of TRUE Colours work through workshop feedback forms. By valuing the answers on a scale from 1 to 5, where 1 is strongly disagree and 5 is strongly agree, the students showed a very positive reaction to our workshops, and most of them agreed that they learned something new. The complete results are provided in the table below.

Statement	Total score	Number of responses	Average
It was fun, I enjoyed it	848	202	4.2
It made me think about my own views	808	202	4.0
I learned something new	868	202	4.3
It made me more aware about other people	828	202	4.1

Achievements and Performance (continued)

Volunteering to Achieve

Investing in our volunteers has showed to be one of ELREC's biggest strengths. The work and dedication the volunteers put in helped immensely with the overall work of the projects and the organisation as a whole. During the project year we have been able to improve communication with the volunteers as well as develop new ways of delegating tasks and work to every individual. Workshops and trainings we provided were especially well received with the ELREC's volunteers, with a few of them coming up with their own ideas and suggestions regarding future trainings.

The volunteers were responsible for their workloads and we made sure that everyone is aware of the importance their work has for project development. This was crucial for increasing the level of confidence and skills through independent work. Each volunteer had a one to one support from the project coordinator, which allowed them to be actively involved and share ideas.

Throughout 2014 – 15 ELREC was promoting volunteering opportunities and with this, adding new roles to the volunteer programme. Throughout the year we increased number of applications from diverse groups, coming up to March 2015.

BME	26
Carers	6
Young people	17
LGBT	5
Older people	2
People with disabilities	7

During the year we have been collecting volunteer exit surveys which helped us realise what needs improving and help with project monitoring.

Exit Surveys summary

Progressed to employment	6
Progressed to employment and education	2
Progressed to work experience	1
Increased confidence and skills	6
Improved employability	8
Reduced social isolation	5
Increased understanding of equality issues	8

Achievements and Performance (continued)

Exit surveys also showed that volunteers particularly enjoyed meeting new people and getting involved in the projects and learning about equality. In terms of what can be improved, the volunteers focused mainly on better communication between volunteers and staff and clearer tasks within the projects. Overall experiences were rated great by 3 volunteers, excellent/fantastic by 2, good by 2, valuable by 1 and satisfactory by 1 volunteer.

On average, ELREC has received 20 volunteer inquiries per month.

Trainings for volunteers:

1. Queer Feminist Approach to Gender Based Violence – Edinburgh Women's Aid
2. Workshop to raise awareness of Prevent (WRAP) – Police Scotland
3. Third Party Reporting Training – Police Scotland
4. LGBTI Awareness & Intersectionality Training – Equality Network
5. Developing a Funding Proposal – ELREC
6. Social Enterprising – Council of Ethnic Minority Voluntary Sector Organisations (CEMVO)
7. Disability Equality training – Capability Scotland
8. First Aid – Tutor Care
9. New Scots: Working with Asylum Seekers and Refugees – Scottish Refugee Council
10. An Introduction to Food Growing – ELREC with the support of Climate Change Fund (CCF)
11. Communication and Confidence Building training – Connect Three Solutions

The trainings that have been provided by ELREC to the staff and volunteers have been chosen on with regards to volunteers training requests and interests. As per one of the volunteers' request, a team of volunteers is working on developing the LGBT charter mark for ELREC.

In addition, the Volunteer Coordinator was continuously developing the role and skills. Alongside training for volunteers, the volunteer coordinator has been attending the Edinburgh Volunteer Centre's Volunteer Coordinator training. It has been a great way to expand knowledge and skills and it was a chance to learn from Volunteer Coordinators who have worked within the charity sector for a number of years. The skills learned were extremely useful when working with and supporting ELREC volunteers.

Communities for Conservation

Our Communities for Conservation project, funded by the Climate Challenge Fund, began in June of this year. The project aims to assist minority communities from Africa, South Asia, Poland and China living in Edinburgh with cutting their carbon emissions, assisting with energy efficiency and explaining the effects of climate change. As the project has unfolded, we have witnessed profound changes in behaviours and attitudes towards climate change.

Achievements and Performance (continued)

The Community Link Officers must be congratulated for their dedication and achievements. In addition to the Project Coordinator Mr. Jean-Matthieu Gaunand, the Community Link Officer's Mr David Tai, Ms Ewelina Lukaszek and Ms Parveen Ishaq, the team has recently expanded to incorporate Mr Adil Ibrahim and Ms Asma Kassim. Over 200 households have received energy advice from them, and overall, they have helped people to reduce their gas and electricity bills by at least 10%. So far we have saved approximately 1074 tonnes of CO₂ emissions. We have worked closely with our partner Home Energy Scotland who provided training and administered the schemes that provided free new combi-boilers to over 15 of our clients.

Volunteer engagement with the project increased throughout the year and they played an integral part of the project through their creativity, initiatives and their constant help. All the events and workshops wouldn't have been as successful without them. Some of our volunteers have also gone into employment or pursued studies following their time with us.

The project has also run community gardens and weekly food growing workshops at the Royal Botanic Gardens with the Edible Gardening Project, in Niddrie with the Hunters Hall Coop, at the Wester Hailes Allotment Association, in Drumbrae with the Rannoch Community Centre, and at Milton Road Edinburgh College. Two community gardeners are running wonderful sessions and are teaching the participants how to grow their own food and learn from nature.

The project has also held two large community celebrations aimed at gathering diverse communities together in the name of the environment and climate change. These events had prestigious guest speakers in Ted Talk speakers Mr John-Paul Flintoff and Mr Mike Stevenson. Our Launch event and Spring event attracted over 150 and 200 participants respectively. Feedback was very positive with participants stating that they felt inspired to adopt more eco-friendly lifestyles, and contributed to developing more sustainable communities.

Finally, to spread the message beyond our project in ELREC a staff and volunteer trip was organised to Loch Lomond National Nature Reserve.

As a team, the Communities for Conservation project are committed to continue tackling climate change with the communities and to **BE THE CHANGE WE WISH TO SEE IN THE WORLD.**

Equality Engagement

The Equality Engagement project has been running for a number of years now, organising and facilitating initiatives that foster engagement with the diverse communities in Edinburgh and the Lothians.

From April 2014 until March 2015, a number of successful events have been organised by the Equality Engagement officer, bringing together various organisations, statutory groups and the wider community.

Two events took place in September 2014: one was a multicultural family fun day, organised to celebrate the 5th Anniversary of West Lothian Community Race Forum. At the end of the same month, an event was organised to raise awareness on safety on public transport. The event was hosted in collaboration with the Community Safety Partnership and the Hate Crime Strategic Development Group.

Achievements and Performance (continued)

In June an event was organised to celebrate Africa, bringing together local African Communities: over 250 people attended the event, in partnership with grassroots community groups. This event was followed by the celebration of the Black History Month, on the 29th October 2014. Over 60 people joined. The event included speeches on equality (particularly inspiring was Sir Geoff Palmer's recalling of his personal journey), a delicious dinner and a number of activities, including Ethiopian dances and other cultural performances.

In December an event was organised for BME parents of school children in Craigmillar, in order to foster participation and building a network of BME parents who live and work in the area. The discussion focused on how to improve Craigmillar and what actions could be taken to tackle food poverty and racism.

The Equality Engagement project has taken a different direction since April 2015 with the purpose of enhancing engagement of BME communities in public life and the democratic process in Edinburgh and Lothians. This extension of the Equality Engagement project is funded for one year by the Scottish Government Equality Fund.

Young People Against Hate

The Young People Against Hate (YPAH) project has been running since 2012, funded by the Volunteer Action Funds (VAF) Equality Fund 2012-2015. The YPAH aims to bring young people from across Edinburgh together to raise awareness about hate crime, the damage that it creates in the community and how to tackle it. The project spans Edinburgh with specific focus on three key areas: Craigmillar/Portobello, Broomhouse/Saughton and Gracemount. In addition, the project aims to empower volunteers by developing skills to deliver workshops on different issues, such as gender equality, racism, homophobia and cultural awareness.

In April 2014 the education package from FIXERS, a sub-groups of STV, began, with the purpose of guiding young people to devise a creative package for their peers and youth workers to use. Furthermore, since April 2014 YPAH has held weekly Thursday workshops with volunteers to discuss diversity, equality and the development of the educational package.

From May to July 2014, 10 workshops on a number of topics were organised and facilitated by YPAH volunteers with over 160 individuals participating.

YPAH has continued expanding its partnerships and collaborations both inside and outside ELREC. Inside ELREC, the collaboration with the other youth project, True Colours, has led to the deliveries of workshops and training together. External to ELREC, YPAH has increased its collaboration with Edinburgh libraries, particularly in Portobello and Western Hailes/Sighthill areas.

YPAH volunteers, with the support of FIXERS, created a short film on youth based hate crime and Third Party Reporting. The film went online in December 2014.

Achievements and Performance (continued)

During November and December 2014, YPAH organised a number of workshops, on topics such as Islamophobia, in different high schools as well as others on homophobia in North Edinburgh.

In Autumn/Winter 2014 more training has been delivered to other charities, such as the Equality Act 2010 training to Pilton Community Health Project.

In 2015 YPAH volunteers have conducted research on funding future youth work projects and on hate crime in North Edinburgh.

Since March 2015 YPAH has been funded by the Big Lottery Young Start Programme for one year.

Support and Advice

During 2014-2015 ELREC's Support and Advice service has dealt with 109 cases. Of these 57 clients were female and 52 male. 38 cases related to discrimination, 19 to housing issues, 17 to welfare advice, 12 to employment issues, 6 to immigration and 17 to 'other'. This service has been operating one day per week and has done well under these circumstances. The service has also had the support of a number of volunteers throughout the year.

Publication and Dissemination

ELREC utilises its quarterly newsletter to keep members and the public up to date with its work. It is continually expanding its content with updates from projects as well as relevant events and information. This service has been useful for the organisations publicity and has been regularly praised by those who have read it.

We want to thank all Board members, staff, funders, members and the wider community who have contributed to the work of ELREC.

Financial Review

Total incoming resources in the year increased by £90,595 to £236,706.

Total resources expended increased by £72,104 to £220,660.

The overall result for the year was a surplus of £16,046 (2014- deficit of £2,445). The company carries forward total funds of £69,061 (2014- £53,015), of which £8,423 are restricted and earmarked for expenditure on specific projects in the following year. Unrestricted funds, which may be used for charitable purposes at the discretion of the Directors, totalled £60,638 at 31 March 2015 (2014-£50,554).

Our principal funders in the year were the Scottish Government and the City of Edinburgh Council. We are again duly grateful to those organisations, and to all other organisations which have supported us throughout the year.

Achievements and Performance (continued)

In line with many other small charities who have previously participated in final salary pension schemes for its employees, and in line with the current known deficit on the pension scheme (which is closed to further entry), the company is required to pay approximately £3,000 (increasing by 3% per annum) to the pension scheme for the next 15 years. While the Board has already designated £27,038 of the unrestricted funds towards this future liability, this is a cost that ELREC will need to meet with additional fundraising activities outwith grant applications.

Reserves Policy

Unrestricted funds include the general funds arising from past operating results. It is the policy of the charity to build up general funds, which are the free reserves of the organisation, to cover staff and office costs for a period of three months.

Future Developments

Equality is a work in progress and ELREC must safeguard the progress made and carry on relentlessly in promoting equality, fighting discrimination, fostering good relations and work productively in partnerships with all members of the community.

Statement of Directors' Responsibilities

The directors, who are also trustees of Edinburgh and Lothians Regional Equality Council Limited for the purposes of charity law, are responsible for preparing the Director's Report and the 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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). 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 as to the disclosure of information to Auditors

In so far as the directors are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and each director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

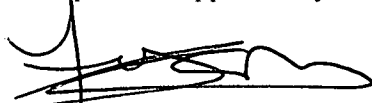
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation on other jurisdictions.

Auditors

A resolution to reappoint Thomson Cooper as auditor will be proposed at the Annual General Meeting.

By order of the board:

This report was approved by the directors on 9 February 2016 and signed on their behalf by:



Mr Foyso Choudhury M.B.E.
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDINBURGH Page 13
AND Lothians Regional Equality Council Limited

We have audited the financial statements of Edinburgh and Lothians Regional Equality Council Limited for the year ended 31 March 2015 set out on pages 15 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006, and to the charity's trustees, 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 members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, set out on page 11, the Trustees (who are also Directors of the charity 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 Trustee 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 financial statements

A description of the scope of an audit of financial statements is provided on the APB's website 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 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 OF EDINBURGH AND Page 14
LOTHIANS REGIONAL EQUALITY COUNCIL LIMITED continued.**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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 accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime.

Andrew Croxford (Senior Statutory Auditor)
For and on behalf of Thomson Cooper, Statutory Auditor
Edinburgh

9 February 2016

Thomson Cooper is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income & Expenditure Account)
YEAR ENDED 31 MARCH 2015

Page 15

		Unrestricted funds	Restricted funds	Total funds	Total funds
		Year ended 31 March	Year ended 31 March	Year ended 31 March	Year ended 31 March
		2015	2015	2015	2014
	Notes	£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	60,150	166,275	226,425	137,230
Investment income		34	-	34	59
		60,184	166,275	226,459	137,289
Incoming resources from charitable activities	3	2,172	8,075	10,247	8,822
<i>Total incoming resources</i>		62,356	174,350	236,706	146,111
Resources expended					
Charitable activities	12	46,238	168,469	214,707	143,694
Governance costs	13	5,953	-	5,953	4,862
<i>Total resources expended</i>		52,191	168,469	220,660	148,556
<i>Net incoming /(outgoing) resources before transfers</i>		10,165	5,881	16,046	(2,445)
Transfers					
Gross transfers between funds	17	(81)	81	-	-
<i>Net movement in funds</i>		10,084	5,962	16,046	(2,445)
Reconciliation of Funds					
Total funds brought forward		50,554	2,461	53,015	55,460
<i>Total funds carried forward</i>	16	60,638	8,423	69,061	53,015

The results for the year derive from continuing activities and the company had no recognised gains or losses in the two years ended 31 March 2015 other than those recorded in the Statement of Financial Activities.
The notes on pages 17 to 30 form part of these financial statements

EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED **Page 16**
BALANCE SHEET
AS AT 31 MARCH 2015
Company No: SC183419

		2015	2014
	Notes	£	£
Fixed assets:			
Tangible assets	8	5,209	-
Current assets:			
Debtors	9	13,220	2,806
Cash at bank and in hand		69,569	88,502
<i>Total current assets</i>		82,789	91,308
Liabilities:			
Creditors: Amounts falling due within one year	10	(18,937)	(38,293)
<i>Net current assets</i>		63,852	53,015
<i>Net assets</i>	19	69,061	53,015
The funds of the charity:			
Unrestricted income funds	16	60,638	50,554
Restricted income funds	16	8,423	2,461
<i>Total funds</i>		69,061	53,015

The Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on 9 February 2016 and signed on its behalf by:



Mr Foyso Choudhury M.B.E.
Director

The notes on pages 17 to 30 form part of these financial statements

1. ACCOUNTING POLICIES

(a) Basis of preparation

The accounts are prepared under the historical cost convention and are in accordance with the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008), and with the Statement of Recommended Practice - Accounting & Reporting by Charities (revised 2005).

(b) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are included at cost and are depreciated by the straight line method over their anticipated useful lives at the following annual rates:

Office equipment	33.3%
Furniture	20%

(c) Incoming resources

All incoming resources are recognised in the year to which they relate, when there is sufficient evidence to provide the necessary certainty that the income will be received and the value of the incoming resources can be measured with sufficient reliability.

(d) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. The company is not registered for VAT and accordingly expenditure includes VAT where appropriate

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

(e) Pension contributions

The company participates in a multi-employer defined benefit pension scheme and makes contributions to employees' defined contribution pension plans. Due to the nature of the multi-employer scheme, it is not possible to identify, on a reasonable and consistent basis, the charity's share of the underlying assets and liabilities of the scheme. The accounting charge for the period therefore represents the cost of all employer contributions payable by the charity for that period.

(f) Leasing

Costs of rentals under operating leases are charged to the SOFA when incurred.

1. ACCOUNTING POLICIES (continued)

(g) Funds

Funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Designated funds - these are unrestricted funds set aside by the directors for specific purposes and available for use at their discretion in furtherance of the charity's objectives.
- Restricted funds - these are funds which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. VOLUNTARY INCOME

	Unrestricted	Restricted	Total	Total
	2015	2015	2015	2014
	£	£	£	£
City of Edinburgh Council	60,000	-	60,000	61,480
Police Scotland	150	-	150	25,000
Big Lottery Fund	-	16,326	16,326	-
Voluntary Action Fund	-	10,000	10,000	-
Communities for Conservation	-	87,534	87,534	750
Scottish Government	-	50,000	50,000	50,000
LGBT	-	415	415	-
Ponton House Trust	-	2,000	2,000	-
	60,150	166,275	226,425	137,230

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Training & events	941	-	941	-
Santander Bank	-	4,763	4,763	-
Wood Family Trust	-	-	-	3,000
SAREC	-	3,312	3,312	4,631
Other charges	1,231	-	1,231	1,191
	<u>2,172</u>	<u>8,075</u>	<u>10,247</u>	<u>8,822</u>

4. NET INCOMING/ (OUTGOING) RESOURCES FOR THE YEAR

	2015	2014
	£	£
The net incoming/ (outgoing) resources for the year is stated after charging:		
Depreciation	2,604	126
Auditor's remuneration	1,800	1,680
Operating leases:		
Office rental	10,174	12,000
Office equipment	-	1,086

5. STAFF COSTS & NUMBERS

	2015	2014
	£	£
Gross salaries	126,748	76,601
Social security costs	5,321	5,796
Pension costs	7,463	7,985
	<hr/>	<hr/>
	139,532	90,382
	<hr/>	<hr/>

The average number of employees during the year was:

	2015	2014
	£	£
Senior staff members	1.1	1.0
Project development officers	9.3	2.5
Administrative staff	1.6	1.6
Sessional workers	-	1.4
Cleaner	1.0	1.0
	<hr/>	<hr/>
	13.0	7.5
	<hr/>	<hr/>

No employee earned in excess of £60,000 per annum (2014 - none).

No remuneration and no expenses for services provided to the charity were paid to any of the directors or to persons connected with them (2014 - none).

Pension scheme

The charity contributed £3,131 (2014 - £3,108) to the defined benefit pension scheme and £4,332 (2014 - £4,877) to employees' defined contribution schemes. There were no outstanding contributions at the year end (2014- £nil).

6. RELATED PARTY TRANSACTIONS

The company is a member of SAREC - the Scottish Alliance of Regional Equality Councils Limited (a company limited by guarantee). Ehtisham Ullah Khan and Foysool Hussain Choudhury M.B.E are directors of both ELREC and SAREC.

During the year to 31 March 2015, ELREC charged SAREC the sum of £3,312 for administrative services and expenses (2014 - £4,631).

7. TAXATION

As a registered charity, the company has no liability to UK corporation tax on its charitable activities.

8. TANGIBLE FIXED ASSETS

	Office Equipment	Furniture & fittings	Total
	£	£	£
Cost			
As at 1 April 2014	12,178	1,365	13,543
Additions	7,813	-	7,813
As at 31 March 2015	19,991	1,365	21,356
Depreciation			
As at 1 April 2014	12,178	1,365	13,543
Charge for the year	2,604	-	2,604
As at 31 March 2015	14,782	1,365	16,147
Net book value			
As at 31 March 2015	5,209	-	5,209
As at 31 March 2014	-	-	-

9. DEBTORS

	2015	2014
	£	£
Other debtors	12,220	1,806
Prepayments	1,000	1,000
	<u>13,220</u>	<u>2,806</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	2,763	-
Other taxes and social security	2,214	1,454
Accruals	3,060	13,513
Deferred income (see note 15)	10,900	23,326
	<u>18,937</u>	<u>38,293</u>

11. SHARE CAPITAL

The company is limited by guarantee and has no share capital.

12. CHARITABLE ACTIVITIES EXPENDITURE

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Direct costs:				
Salaries (inc ERNI & pension)	10,422	129,110	139,532	90,382
Equipment	-	-	-	1,086
Events & activities	-	14,043	14,043	4,015
IT & computing	5,423	683	6,106	2,857
Meetings costs	-	304	304	29
Publicity, advertising & publications	-	-	-	1,800
Resources	-	-	-	1,179
SAREC governance	-	-	-	742
Travel expenses	-	2,751	2,751	1,113
Volunteers' expenses	-	3,043	3,043	1,378
TOTAL DIRECT COSTS	15,845	149,934	165,779	104,581
Support costs:				
Consultancy, legal & professional	-	220	220	350
Depreciation	-	2,604	2,604	126
Heating & lighting	1,702	2,146	3,848	2,447
Insurance	1,376	-	1,376	1,811
Repairs, maintenance & cleaning	9,628	-	9,628	11,624
Office provisions	-	-	-	102
Postage	2,911	-	2,911	1,508
Printing & stationery	-	1,149	1,149	2,446
Recruitment advertising	250	1,500	1,750	-
Rent & rates	12,214	2,184	14,398	14,495
Subscriptions	-	-	-	100
Sundries	75	384	459	232
Telephone, fax & internet	2,237	154	2,391	2,601
Training costs	-	8,194	8,194	1,271
TOTAL SUPPORT COSTS	30,393	18,535	48,928	39,113
TOTAL CHARITABLE EXPENDITURE	46,238	168,469	214,707	143,694

13. GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2015	2015	2015	2014
	£	£	£	£
Accountancy fees	4,153	-	4,153	3,152
Audit fee	1,800	-	1,800	1,680
Bank charges	-	-	-	30
	<hr/> 5,953	<hr/> -	<hr/> 5,953	<hr/> 4,862

14. DEFINED BENEFIT PENSION SCHEME

ELREC 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 1/60th accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60th accrual rate and final salary with a 1/80th accrual rate, until the date of the 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 3 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.

14. DEFINED BENEFIT PENSION SCHEME (continued)

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 at 30 September 2011, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.8 million (equivalent to a past service funding level of 69.7%).

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

	% p.a.
Investment return pre retirement	5.8
Investment return post retirement	4.0
Rate of salary increases	4.4
Rate of pension increases	
for pensionable service pre 5 April 2005	2.4
for pensionable service post 5 April 2005	1.9
Rate of price inflation	2.4

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 2014 a new recovery plan came into effect, following the finalisation of the 2011 valuation. Recovery payments for the year to 31 March 2015 were £3,108 (2014: £3,292), increasing to £3,201 next year and increasing by 3% each year thereafter.

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire funding shortfall by 31 March 2028.

A copy of the recovery plan must be sent to the Pensions Regulator after each valuation is finalised. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

The recovery plan from the 2011 valuation has been submitted to the Pensions Regulator.

14. DEFINED BENEFIT PENSION SCHEME (continued)

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2014. Such a report required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £81 million (from £73m as 30 September 2012) and indicated a decrease in the shortfall of assets compared to liabilities to approximately £34 million (from £36m at 30 September 2012), equivalent to a past service funding level of 71% (from 67.2% at 30 September 2014).

15. DEFERRED INCOME

	2015	2014
	£	£
Balance as at 1 April 2014	23,326	25,000
Released to incoming reserves in the year	(23,326)	(25,000)
Deferred in the year	10,900	23,326
	<hr/>	<hr/>
Balance as at 31 March 2015	10,900	23,326
	<hr/>	<hr/>

Deferred income represents income received in advance from the Big Lottery Fund (£9,700) and Scottish Government (£1,200), which relates to the 2015/16 financial year. The prior year income related to income received in advance from the City of Edinburgh Council (£15,000) and Big Lottery (£8,326).

16. MOVEMENT OF FUNDS

	Opening Balances	Income	Expenditure	Transfers	Closing Balances
	£	£	£	£	£
Unrestricted income funds					
Core Costs	26,624	62,356	52,191	(81)	36,708
Designated income funds					
Future Costs – Designated	23,930	-	-	-	23,930
<i>Total unrestricted income funds</i>	<u>50,554</u>	<u>62,356</u>	<u>52,191</u>	<u>(81)</u>	<u>60,638</u>
Restricted income funds					
Equalities Engagement	-	25,000	25,000	-	-
Young People Against Hate	-	25,000	25,081	81	-
Africa Day	-	8,000	8,000	-	-
True Colours	-	8,326	5,112	-	3,214
Scottish Community Development Centre	16	-	16	-	-
Voluntary Action Fund – Anti-Sectarianism	141	-	141	-	-
SAREC secretariat	1,824	3,312	5,136	-	-
Communities for Conservation	480	87,534	85,605	-	2,409
Santander Fund	-	4,763	1,963	-	2,800
LGBT	-	415	415	-	-
Ponton House Trust	-	2,000	2,000	-	-
Volunteering To Achieve	-	10,000	10,000	-	-
<i>Total restricted income funds</i>	<u>2,461</u>	<u>174,350</u>	<u>168,469</u>	<u>81</u>	<u>8,423</u>
<i>Total funds carried forward</i>	<u>53,015</u>	<u>236,706</u>	<u>220,660</u>	<u>-</u>	<u>69,061</u>

17. TRANSFERS BETWEEN FUNDS

Transfers of £81 were made from unrestricted to restricted funds to cover overspends on projects.

18. RESTRICTED / DESIGNATED FUNDS

The main restricted funds are as follows:

Equalities Engagement – supports public bodies to engage with diverse communities and community organisations to positively advance the Public Sector Equality Duty in Edinburgh and the Lothians. The project also progresses the capacity and participation of diverse communities across Edinburgh and the Lothians.

Young People Against Hate (YPAH) – funded by the Equality Fund 2014-2015 of the Scottish Government this project will function in three areas of Edinburgh including Craigmillar, Broomhouse/Saughton and Gracemount/Southouse. The main objective of the project is to bring young people in these areas to work together to develop an educational package or campaign to raise awareness about the damage of hate crime in their community and encourage others to do more to tackle the problem collectively.

Africa Day – the Celebrating Africa 2014 project was a series of activities that culminated in a daylong event showcasing African tradition, culture and heritage to commemorate Africa. The project aims were to foster community cohesion and integration and create a platform where different people can share ideas, advance cultural beliefs and explore a rich vibrant culture using the spirit of the Commonwealth Games.

True Colours – funded by the Big Lottery: Awards for All, the TRUE Colours aim is to develop and then deliver the peer education programme to children and young people in primary and secondary schools within the Edinburgh area in the form of training workshops aimed at tackling topical issues within schools today - namely bullying, racism and sectarianism.

SAREC secretariat – to support the charity's secretariat role for the Scottish Alliance of Regional Equality Councils Limited.

Communities for Conservation (Climate Challenge Fund) – to design, disseminate and analyse a survey to gauge current knowledge and practices of different ethnic communities on issues of climate change and energy efficiency.

Santander Fund – funding received to purchase new computer equipment.

LGBT History Month – ELREC worked with LGBT Youth to put on an event for LGBT History Month in February 2014 at the National Mining Museum in Midlothian.

18. RESTRICTED / DESIGNATED FUNDS (continued)

Ponton House Trust – the funding allowed ELREC to expand its Young People Against Hate (YPAH) project. The £2000 funding allowed the Youth Development Officer extra hours to train more peer educators and facilitate more workshops across Edinburgh. The project expanded, undertaking more young peer educators/volunteers (20 peer educators) who helped the YPAH engage with 400 young people, improving their level of confidence and awareness when dealing with issues of hate crime in Craigmillar, Broomhouse and Gracemount.

Volunteering to Achieve - funded by the Scottish Government through the Voluntary Action Fund, providing us a platform to improve the volunteering experience at ELREC and provide more opportunities for our volunteers. The project brought in a dedicated Volunteer Coordinator who was able to create a set introductory training and induction session for volunteers and increased the skill matching of volunteers to projects. It also allowed us to put on a number of training sessions for the volunteers which meant that increased their knowledge in the field and their employability prospects.

The designated fund for **Future Costs** represents unrestricted funds set aside in previous years to contribute towards the deficit on the multi-employer defined benefit pension scheme (see note 14). Recovery payments made in the year are charged to the designated fund.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	2015	2015	2015
	£	£	£
Tangible fixed assets	-	5,209	5,209
Current assets	1,000	12,220	13,220
Cash and Bank	67,275	2,294	69,569
Current liabilities	(7,637)	(11,300)	(18,937)
	<u>60,638</u>	<u>8,423</u>	<u>69,061</u>

20. LEASE COMMITMENTS

The charity had annual commitments under operating leases for property. The commitment for leases expiring in one to two years is £12,000 per annum (2014 - £12,000 in two to five years).

21. CONTINGENT LIABILITY

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scottish Voluntary Sector Pension 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 Scheme actuary's estimate of the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

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 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.

ELREC has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2014. As of this date, the estimated employer debt for ELREC was £146,203.