

**Charity Number SC007896**

**Company Number SC183419**

**EDINBURGH AND LoTHIANS REGIONAL  
EQUALITY COUNCIL LIMITED**

**Report of the Directors and  
Financial Statements  
For the Year Ended 31st March 2016**



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**EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

**Financial Statements for the Year Ended 31st March 2016**

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## **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

The Trustees present their Report, together with the accounts for the year ended 31st March 2016. The Board have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRSSE 2015) in preparing the annual report and financial statements of the charity.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

#### **Objectives and Activities**

The objects of the company are:

- (i) To work towards the elimination of discrimination in all its forms
- (ii) to reduce inequality and promote a culture of human rights
- (iii) 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
- (iv) 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.

## **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Objectives and Activities (cont'd)**

- **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.

#### **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.

#### **Achievements and Performance**

##### **Business Review and Plans for the Future**

The 2015-2016 financial year was a busy and progressive period for ELREC. Three new projects have started while the others were successful in secure funding for another year. One is Bright Choices, a four-year project in partnership with SACRO and Multicultural Family Base that aims to raise awareness on honour based violence and to support people who experience difficult relationships with their families or communities. The second one is Barriers of Poverty and Inequality, a six month-research project that aims to shine a light on barriers that might be perpetuating the experience of poverty for ethnic minorities in Edinburgh. The third one is the Youth Zone, a two year project funded by the Robertson Trust that aims to support young people from different backgrounds who are looking for employment, higher education or volunteering opportunities.

Despite not being able to secure funding for our Volunteering to Achieve project, we have welcomed many new volunteers. Our other projects, TRUE Colours, YPAH, Equalities Engagement and Communities for Conservation have grown and supported a high number of service users across Edinburgh. After Ekta Marwaha left, Elisabetta Spano was appointed as the new Project Lead Officer/Fundraiser. Elisabetta, together with the whole team, is working very hard to secure funding for current and new projects.

Throughout the year we were supported in our work by the Voluntary Action Fund, Scottish Government, Climate Challenge Fund, Big Lottery and the Robertson Trust.

##### **Communities for Conservation**

The Communities for Conservation project was funded initially for two years, from 2014 to March 2016, by the Climate Challenge Fund. The project aims to inspire people from diverse communities to make the necessary changes in order to live in a world of equality, collaboration and sustainability. We aim to help people from Polish, South Asian, African and Chinese backgrounds by providing a number of services that span from energy efficiency and reduction of carbon emissions, to cycle training and climate change. These services and activities we offer are free of charge.

## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Achievements and Performance (cont'd)**

##### **Communities for Conservation**

**Free energy advice:** We helped households change their behaviours to reduce energy consumption through a comprehensive and professional energy advice service which included: energy saving tips and tailored energy advice to reduce energy consumption while keeping warm; help with dampness issues, help to find a cheaper energy supplier. One of our African clients has received a new boiler, radiators, pipes and thermostat. One of our Chinese clients was granted £4000 for energy improvement. One Polish client was granted £4,000 grant to cover boiler replacement through the Energy Assistance Scheme.

**Community events:** In March 2015, we have organized a large community event named 'Spring Celebration'. It was attended by over 200 participants from all ages and diverse backgrounds, particularly from the Chinese, Polish, South Asian, and African communities. As a result of the event the great majority of participants felt more aware of climate change issues. In October 2015 we organized a large Community Event attended by 180 adults and 60 children. 14 volunteers were involved in organising and running the event. In March 2016 we have co-organised CCF joint event Multicultural Eco-Celebration, the event was attended by a diverse audience of 330 people.

**Food growing sessions:** With the Edible Gardening Project, Wester Hailes Allotment Association, the Rannoch Community Centre, Hunters Hall Cooperative and the Edinburgh College we have set up food community growing groups and organized food growing sessions at Niddrie, Wester Hailes, Milton Road Edinburgh College, and the "Greenkeepers" at Royal Botanic Garden, to enable community groups to learn food growing techniques and grow their own food. The skills gained have inspired many attendees to start growing their own food at home.

**Climate Change awareness:** Trainings, workshops, trips, discussions and a range of activities tailored to the different audiences that we engaged with. We raised awareness of environmental initiatives and climate change particularly amongst group who tend to be less exposed to the message of climate change. In June 2015, we organised a trip to Whitmuir Organic Farm for 37 people from the Polish community, Chinese Community Link officer coordinated an excellent event to raise awareness of climate change amongst 30 people from Chinese background. We organized a family friendly environmental day at Corstorphine Hill in April with the gardening group from Drumbrae. After visiting the Lord Ancrum's Wood in July, we organized a trip to Queen Elizabeth Forest Park with a group of 15. We have run climate change and energy efficiency awareness sessions with Sikh Sanjog, I-Women, Chinese Church in Fife, and SACRO and in partnership with the Himalayan Centre and the Greatway Foundation, we screened the award winning documentary Chasing Ice to an audience of around 50 people.

**Volunteering opportunities:** Volunteers have gained numerous skills including facilitation skills, people skills, group management skills, research skills, presentation and public speaking skills, etc. 5 volunteers got jobs in environmental related fields after volunteering with us. Another volunteer went to University to pursue a Master degree in environmental science.

In March 2016 ELREC successfully applied to fund the project for one more year, expanding it to include the Spanish community.

##### **Bright Choices**

Funded by Big Lottery – Investing in Communities programme, Bright Choices service, which has been operational since June 2015, is a partnership between ELREC, SACRO and Multicultural Family Base. The project provides intense emotional and practical assistance to individuals and families in Edinburgh to overcome problems arising from honour abuse.

## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Achievements and Performance (cont'd)**

##### **Bright Choices (cont'd)**

Honour abuse or Honour-Based Violence (HBV) is any kind of abusive or violent behaviour against an individual by a member of their family or their community. This type of violence can take place when the individual is perceived to have 'transgressed' the family's and/or the community's acceptable codes of behaviour. Such behaviour is deemed to be 'dishonourable' and people can be subjected to violence or abuse to prevent them from behaving in this way in the future, or to punish them for their transgression and to restore their 'honour'.

The project has filled the gap in services by offering support to both male and female victims of honour-based violence, while endeavouring to stay an impartial provider of information to the communities and the service providers in Edinburgh.

In the first year of the project, Bright Choices has received referrals from partner organisations, the NHS, community organisations, community members and the City of Edinburgh Council.

The outreach part of the project is based at ELREC. Bright Choices' outreach strategy consists of a variety of educational and practical programs and trainings, working with organisations, professionals, community groups and youth. The aim is to raise awareness about the impact of HBV and explore the best methodologies for intervention and prevention.

We have developed and delivered comprehensive free training on how to engage effectively with the victims of honour-based violence to all agencies working in the field of community human rights, as well as running HBV prevention workshops for youth. In the first year, we trained over 250 professionals to understand, recognise and respond to the issues we are addressing. Bright Choices has also engaged with dozens of individuals from affected communities. This has been done through both awareness raising and ground-breaking applications of mediation which support safe and meaning conversations between those affected by HBV. We have received overwhelmingly positive feedback for the work carried out both with individuals accessing the service as well as professionals attending outreach and training workshops.

##### **TRUE Colours**

TRUE Colours is a one year-project funded by the Scottish Government – Equality Fund and Voluntary Action Fund. From April 2015 until March 2016 TRUE Colours have been creating and delivering the peer education programme. Since the programme started the TRUE Colours volunteers have been presenting workshops in schools throughout Edinburgh. The topics covered: raising awareness on bullying, cyberbullying, human rights – with particular focus on children's rights - gender equality and representation of gender in the media, racism, Islamophobia, cultural awareness, hate crime and stereotypes in the media. The workshops have been developed by the volunteers and adjusted according to the audience's needs and ages. During the first 12 months of the project we have recruited and trained 14 new volunteers as peer educators (ranging from 14 to 36 years old). This includes people with disabilities, high school and university students, unemployed, LGBT and BME young people. The process focused on improving research and presentation skills, teamwork, challenging attitudes and improving communication and public speaking skills, while facilitating workshops to people from a range of different backgrounds.

Overall, during the year we reached just over 1000 students, teachers and youth workers in Edinburgh and visited 8 schools and community centres with the goal of addressing inequality in society. We delivered 18 workshops in total. 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 3 to 14 by the end of March 2016.

## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Achievements and Performance (cont'd)**

##### **TRUE Colours (cont'd)**

TRUE Colours also delivered follow-up workshops. After each workshop we wanted to evaluate students' knowledge and discuss the topic through the follow-up activities. The way this was implemented depended on the time available with the group.

The main goal of these follow-up activities was designed so that students could demonstrate and share their knowledge and opinions and ask additional questions about a certain topic. With the exception of two month summer break, 15 follow-up workshops were delivered for the duration of the project.

The TRUE Colours volunteers gathered a group of people of different ages, backgrounds and education, which proved critical when designing workshops and gathering input about issues facing young people today. Our audience was mainly primary and secondary school students, ranging from 10 to 18 years old, which we believe is the crucial age to address the importance of tolerance, good relations and tackling inequality.

TRUE Colours also conducted a research on how bullying policies are implemented within Edinburgh schools. The aim is to review existing procedures in schools to manage bullying incidents and to identify best practices and any gaps that may exist between policy and practice. As part of this stage, data collection was primarily taken the forms of survey and semi-structured interviews with school management, teachers and students. The intended outcome was to obtain findings which would help develop an educational toolkit which teachers, students, parents and youth workers can use to promote social inclusion in schools and the wider local community. The toolkit provides practical insights, strategies, activities and resources to address bullying and discrimination. The research findings culminated in a report for the reference of interested institutions and individuals in the field. The toolkits were published in June 2016.

The project has been supported by the City of Edinburgh Council and Edinburgh EAL service which enabled us to reach diverse groups of students and volunteers.

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.

<b>Feedback Scores April 2015 – June 2016</b>	<b>Average</b>
It was fun, I enjoyed it	4.4
It made me think about my own views	4.2
I learnt something new	4.3
It made me more aware about other people	4.2
Number wanting to know more/or have similar workshops in the future	28.5

The TRUE Colours project received an additional 3 months' extension, and the official project year ended in June 2016.

## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Achievements and Performance (cont'd)**

##### **Young People Against Hate**

Young People Against Hate (YPAH) is funded by the Big Lottery: Young Start programme. It brings young people in Edinburgh together to raise awareness about hate crime in their community and encourage others within the community to do more to tackle problems such as racism, homophobia and islamophobia. The original target areas were Gracemount, Saughton, Westerhailes and Craigmillar; this was expanded to include North Edinburgh where a high level of hate crimes had been identified. Our aim is provide the tools and develop the skills for young people in these areas so they are equipped to challenge discrimination.

Between the period of April 2015 to April 2016 the Young People Against Hate project has recruited and trained 21 young people who have helped create materials and presented them to young people. The project volunteers undertook 6 weeks of training developing, improving their legal understanding of human rights, knowledge on equality issues, the nine protected characteristics, and hate crime.

The project engaged with over 530 young people in the target areas, and 445 young people through small interactive workshops. These workshops were facilitated by the Youth Development Officer and the peer volunteers. Due to negative media portrayals of migrants, asylum seeker, refugees and Muslims, the workshops have focused on racism and Islamophobia. The project facilitated specific Islamophobia programs: 4 week programs with small groups of young people in areas of high levels of hate crime. These interactive workshops, designed by our volunteers, have challenged stereotypes, engaged young people on community tensions, and challenged media portrayal through critical thinking activities.

The project has expanded its early intervention sessions and more requests are coming in for one on one restorative justice sessions for young offenders. In partnership with local area organisation, the project facilitated 22 restorative justice sessions, which have been very successful. These 3 – 5 week restorative justice programs have been designed and implemented by our volunteers. The Young People Against Hate project worked with 9 young people who have been perpetrators in race-related crimes. All participants that started the short restorative justice programme completed it with the allotted time.

The project has also looked into how it can support youth workers and community workers, and has facilitated 10 workshops for youth workers and community workers. These have all been on equality related issues, giving people working in the community more knowledge and tools to deal with discrimination and prejudice. These workshops allowed ELREC to engage with 133 Edinburgh based workers.

##### **Barriers of Poverty and Inequality**

Barriers of Poverty and Inequality is a research project that ELREC undertook for six months in 2015 and that was funded by Big Lottery – Investing in Ideas programme. This study was based on work conducted by the Joseph Rowntree Foundation which tells us that some ethnic minorities are disproportionately and consistently experiencing economic poverty. Barriers of Poverty and Inequality ended in November 2015 with a final report that highlighted the findings as well as recommendations. The report is accessible through ELREC website.



## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Achievements and Performance (cont'd)**

##### **Barriers of Poverty and Inequality (cont'd)**

This report is a preliminary study on the barriers that may perpetuate poverty and inequality among three BME communities in Edinburgh – Bangladeshi, Pakistani and African. This report is based on a variety of qualitative research methods: online survey, semi-structured interviews, unstructured discussions and participation in community meetings, events, government consultations and conferences. The findings of this research have identified a number of elements in UK and Scottish policy that may adversely affect BME people's integration and their potential. These elements include lack of proper support for those wishing to understand and access benefits and pension schemes, lack of proper advertisement of childcare subsidies, lack of interpreting services, minimal cultural awareness and sensitivity in employment and health centres, and unnecessarily complex paths to escape abusive or detrimental situations. In addition, this report gives voice to issues and needs of community organisations that struggle to provide efficient support to BME people. Finally, the report acknowledges the limitations of this research, but also provides recommendations of possible steps that could be taken to improve BME's livelihood, as well as the services offered by the governments and community organisations, and opens up new lines of enquiry for further work and research in this area.

##### **The Youth Zone**

The Youth Zone is a two year-project funded by the Robertson Trust and match-funded by the Big Lottery – Young Start. Within the general aim of ELREC, the Youth Zone aims to tackle discrimination against young BME people. By providing support, advice, training opportunities and a safe space where they can meet, the Youth Zone wants to help them engaging in mainstream services and to facilitate their inclusion especially in employment, volunteering and higher education.

During the first project year (01/07/2015 – 30/06/2016), the following activities have been implemented:

- A room has been arranged in the ELREC offices to provide a safe and comfortable environment for the Youth Zone group.
- Advertising material has been created and widely distributed and social media accounts have been opened (Facebook: [www.facebook.com/youthzoneedinburgh](http://www.facebook.com/youthzoneedinburgh), Twitter: <https://twitter.com/youthzoneedin>).
- Extensive outreach with schools and Youth Organisations has been implemented (e.g. with Multi-Cultural Family Base, Community Renewal, Gracemount High School). The cooperation with these organisations includes mutual referrals and the delivery of the workshops developed by the Youth Zone Coordinator in their premises for their youth groups.
- A drop-in session has been activated every Wednesday from 4 to 7 pm.
- Individual support and advice has been provided for those users who expressed interest in it. eg: recognition of foreign degrees, job-search strategy, CV review, mock interviews, research of further education opportunities.
- A programme of activities and workshops concerning self-esteem, CV-writing, interview skills, communication, problem solving and emotional intelligence have been collected and/or developed.

## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Achievements and Performance (cont'd)**

##### **The Youth Zone (cont'd)**

- Contacts between young people and potential employers have been activated in order to start internships and guidance activities.
- As outreach activities, a training workshop on self-branding, CV-writing and interview preparation, a digital and street photography workshop and a public-speaking training with external speakers have been organised.

6 volunteers have been involved in the activities of this project.

The Youth Zone engaged with a total of 38 users, of which:

- 12 for the group sessions,
- 22 for individual support and
- 4 for both group and individual activities.

15 of them came regularly to ELREC, 23 only came once to the drop-in or to the Youth Zone's one-off events. Out of these 38 users:

- 5 got a job,
- 8 engaged in volunteering activities and
- 2 got involved in mainstream services (ESOL courses).

This means that a total of 15 young people (39.5% of the total amount of participants) accessed employment, higher education or voluntary activities.

11 out of these 15 belong to the group of regular users; the other 4 only came to ELREC once to have their CV reviewed.

The Youth Zone participants improved their self-esteem and gained confidence in applying for jobs, higher education courses and volunteering activities. They felt supported during the application process and this helped them take some steps to overcome their shyness and external difficulties, like complicated paperwork and lack of understanding of what they needed. Through the Youth Zone, more BME young people could access information about some services that they were not aware of, as e.g. ESOL courses, sport teams, Citizens' Advice Bureau's services.

All participants provided a positive feedback and evaluated as useful or very useful all the workshops and training which were organised within the framework of the Youth Zone project.

##### **Equalities Engagement – Diversity in Public Life**

Equalities Engagement project was funded for one more year by the Scottish Government – Equality Fund and Voluntary Action Fund in March 2015. The project aimed to increase engagement of under-represented minority communities in public life and the democratic process across Edinburgh and Lothians. The project identifies relevant actions that can be taken in order to enhance the engagement of the BME community and women in public life and the democratic process. The project works with the wider community and key stakeholders to address the issues identified. At the same time, various activities are conducted to remove those barriers that prevent or reduce the engagement in public life and to allow diverse communities to access the democratic process.

## **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Achievements and Performance (cont'd)**

##### **Equalities Engagement – Diversity in Public Life (cont'd)**

A survey to determine the level of representation, organised in the first few months of the project, reached around 500 people. The findings identified a number of barriers that restrict BME people and women entering into public life and recommendation to increase their participation.

The project also engaged with a number of stakeholders among other organisations, public agencies and political parties, which have offered their commitment to further support and working in partnership to implement the project's aims.

Throughout the year, Diversity in Public Life has hosted community engagement events to raise awareness about engagement in public life and the democratic process. These events have been attended by local BME role-models (Councillors, Community Councillors, MSPs, MP and Public Appointees) and have enabled BME communities to directly interact with them and share personal experiences. Information about different levels of public life, political parties and key public agencies (Electoral Commission, Community Councils, Public Appointment Commissioner) have been disseminated to encourage the BME community to become more engaged. During these events, the project has distributed information at 15 information stalls and it has helped reach out over 500 community members.

After 31st March 2016 the project was granted 3 month extension until 30th June, which allowed us to continue the outreach activities and events. For instance, the project raised awareness among BME community on voter registration before the Scottish Parliament Election on 05 May 2016 and the EU Referendum. Different activities have been carried out in partnership with key agencies, community groups and political parties, to increase engagement of diverse communities on both the Scottish Parliament and the EU Referendum.

In this last quarter the project supported 8 interested BME individuals who wished to be involved in the community council elections that took place in September/October 2016. They have been helped build up their portfolio through one-to-one meetings, through the supply of information on community councils and provision of training (more specifically on community activism and public life). Further to the promotion of Public Life Champion (PLC) scheme throughout events and outreach, a total of 20 people have enrolled into the scheme.

##### **Support and Advice Service**

In the financial year 2015-2016 the Support and Advice Service supported 92 individuals, despite being available only once a week. The majority of the cases we supported were discrimination cases, involving Race and Employment and Human Rights. Other cases involved housing, benefits and welfare advice.

We reported three Third Party report cases, two were anonymous Hate Crime cases and one was a housing issue case.

We received seven police referrals via emails from different Police officers in various parts of Edinburgh and the Lothians. We managed to offer support to four clients and referred the other cases onto other organisations for further support. Three of the clients managed to resolve their queries through Solicitors and did not require further support from us.

Throughout the year, the caseworker benefitted from the support and expertise of some volunteers.

## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Achievements and Performance (continued)**

##### **Publication and Dissemination**

ELREC produces 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.

#### **Financial Review**

The results for the year are set out on page 16.

Total incoming resources in the year increased by £24,052 to £260,758. Total resources expended increased by £59,623 to £280,283.

The overall result for the year was a deficit of £19,525 (2015 - surplus of £16,046). The company carries forward total funds of £49,536 (2015 - £69,061), of which £38,849 (2015 - £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 £10,687 (2015 - £60,638).

##### **Principal Funding Sources**

The company receives funding from two key sources:

- i. Scottish Government
- ii. City of Edinburgh Council

We are again duly grateful to those organisations, and to all other organisations which have supported us throughout the year.

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 £23,930 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 and Going Concern**

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. The Directors are satisfied that the charity has adequate reserves to continue its objectives for the foreseeable future, and therefore believe it is appropriate to adopt the going concern basis in preparing these financial statements.

##### **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.

## **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Structure, Governance and Management**

##### **Governing document**

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.

##### **Organisational Structure**

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 12. 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 six 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.

**EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

**Report of the Trustees for the Year Ended 31st March 2016**

**Reference and Administrative Information**

The Directors of the charitable company (the charity) are its Trustees for the purposes of Charity Law. The Trustees who served during the year and since the year end are as follows:

Honorary President	Sir Prof. Geoff Palmer O.B.E.
Honorary Patron	Lord Provost Rt Hon Donald Wilson
<b><u>Management Board of Directors</u></b>	
Chair	FoysoI Hussain Choudhury M.B.E.
Vice Chair	Ehtisham Ullah (Shami) Khan
Treasurer	Rev. Dr. John Christopher Wigglesworth
	Mohammad Amjad Chaudhry
	Ijaz Nazir
	Parmjit Singh (until March 2016) -
	Azra Sharif-Qayyum
	Melanie Beaumont
	David Hop (until December 2015)
	Cllr. Carl John
	Irina Lazarenko
	Nila Joshi (until July 2015)
	Rajnish Singh (from February 2016)
	Neena Agarwal (from March 2016)
Company Secretary	Mohammad Amjad Chaudhry
Manager	Ekta Marwaha
Principal and Registered Office	14 Forth Street Edinburgh EH1 3LH
Bankers	Bank of Scotland 6 Picardy Place Edinburgh EH1 3JT
Auditors	Thomson Cooper 22 Stafford Street Edinburgh EH3 7BD
Charity Registration Number	SC007896
Company Number	SC183419

## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Report of the Trustees for the Year Ended 31st March 2016**

#### **Statement of Trustees' Responsibilities**

The charity Trustees (who are also the Directors for the purposes of company law) are responsible for preparing the Trustees' Annual 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 Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRSSE 2015;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) 2006 Regulations (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of Disclosure to the Auditor**

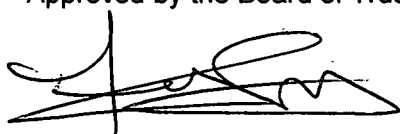
In so far as the Trustees are aware:

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

#### **Auditors**

Thomson Cooper were appointed auditors to the company in accordance with section 485 of the Companies Act 2006. A resolution proposing that they be re-appointed will be put at the Annual General Meeting.

Approved by the Board of Trustees and signed on its behalf by:



Mr Foyso Choudhury M.B.E.

Director

Date: 15 December 2016

## **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

### **Independent Auditors' Report to the Members and Trustees of Edinburgh and Lothians Regional Equality Council**

We have audited the financial statements of Edinburgh and Lothians Regional Equality Council for the year ended 31st March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. 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 exclusively to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and 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 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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 31st March 2016 and of its incoming resources and applications of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended);
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.



**EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

**Independent Auditors' Report to the Members and Trustees of  
Edinburgh and Lothians Regional Equality Council**

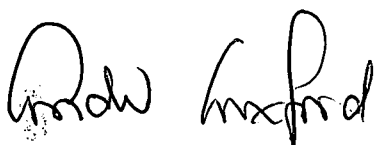
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' 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 accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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 and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



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

Date: 15 December 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**  
**(Including Income & Expenditure Account)**  
**for the Year Ended 31st March 2016**

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total Funds</u> <u>2016</u> £	<u>Total Funds</u> <u>2015</u> £
<b>Incoming and endowments from:</b>					
<i>Donations and legacies:</i>	<b>4</b>				
Donations		411	-	411	565
<i>Charitable activities:</i>	<b>5</b>				
Grants receivable		-	259,198	259,198	230,623
Sundry income		1,122	-	1,122	5,484
<i>Investment income:</i>					
Bank interest		27	-	27	34
<b>Total income</b>		<b>1,560</b>	<b>259,198</b>	<b>260,758</b>	<b>236,706</b>
<b>Expenditure on:</b>					
<i>Charitable activities</i>	<b>6</b>	38,534	241,749	280,283	220,660
<b>Total expenditure</b>		<b>38,534</b>	<b>241,749</b>	<b>280,283</b>	<b>220,660</b>
<b>Net income/(expenditure)</b>		<b>(36,974)</b>	<b>17,449</b>	<b>(19,525)</b>	<b>16,046</b>
<b>Transfers between funds</b>	<b>13</b>	<b>(12,977)</b>	<b>12,977</b>	<b>-</b>	<b>-</b>
<b>Net movement of funds</b>		<b>(49,951)</b>	<b>30,426</b>	<b>(19,525)</b>	<b>16,046</b>
<b>Reconciliation of funds</b>					
Fund Balance Brought Forward		60,638	8,423	69,061	53,015
Fund Balance Carried Forward	<b>13</b>	<b>10,687</b>	<b>38,849</b>	<b>49,536</b>	<b>69,061</b>

The Statement of Financial Activities includes all gains and losses recognised in the year, and all incoming resources and resources expended derive from continuing operations.

The notes on pages 18 to 28 form part of these financial statements

**EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

**Balance Sheet**  
**As at 31st March 2016**

	<u>Notes</u>	<u>2016</u> £	<u>2015</u> £
<b>Fixed Assets:</b>			
Tangible assets	9	<u>2,604</u>	<u>5,209</u>
<i>Total fixed assets</i>		2,604	5,209
<b>Current Assets:</b>			
Debtors	10	30,194	13,220
Cash at bank and in hand		<u>25,213</u>	<u>69,569</u>
<i>Total current assets</i>		55,407	82,789
<b>Creditors:</b>			
Amounts falling due within one year	11	<u>(8,475)</u>	<u>(18,937)</u>
<b>Net Current Assets</b>		46,932	63,852
<b>Total Net Assets</b>		<u>49,536</u>	<u>69,061</u>
<b>The Funds of the Charity</b>			
Unrestricted Funds		10,687	60,638
Restricted Funds		38,849	8,423
<b>Total Charity Funds</b>	13	<u>49,536</u>	<u>69,061</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on 15 December 2016.



Mr Foyso Choudhury M.B.E.  
Director

The notes on pages 18 to 28 form part of these financial statements.

**Company Registration Number SC183419**

## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 31st March 2016**

#### **1. Accounting Policies**

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **a) *Basis of Accounting***

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

##### **b) *Fund Accounting***

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

##### **c) *Income Recognition***

All incoming resources are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received from donations and legacies are recognised where there is entitlement, certainty of receipt and amounts can be measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Grants, where entitlement is not conditional on the delivery of a specific performance, are recognised when the charity becomes unconditionally entitled to the grant. Where a grant is received for a specific purpose, it is included in restricted income and any unexpended portion carried forward as a restricted fund.

Sundry income from charitable activities includes income earned from training and events and other general activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

## **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 31st March 2016**

c) *Income Recognition (cont'd)*

Investment income includes interest on funds held on deposit and is included when receivable and the amount can be measured reliably by the charity, normally upon notification of the interest paid or payable by the Bank.

d) *Resources Expended*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Staff costs are allocated on the basis of time spent on each activity by employees and other overheads according to estimated usage. Expenditure is classified under the following activity headings, where applicable:

- Cost of raising funds comprises the costs of the general fundraising activities of the charity, and their associated support costs.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including the costs of delivering various project objectives, and their associated support costs.
- Other expenditure comprises costs not falling into any other heading.

The charity is not registered for VAT and therefore all expenditure is recorded inclusive of VAT.

e) *Allocation of Support Costs*

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, general administration, and governance costs and are incurred directly in support of expenditure on the objects of the charity. The bases on which support costs have been allocated are on a direct basis or as a proportion of time spent.

f) *Operating Leases*

The total cost of assets held under operating leases is charged to the profit and loss account as they fall due.

g) *Fixed Assets*

Fixed assets costing more than £500 are included at cost and are depreciated using the straight line basis over their anticipated useful economic lives at the following annual rates:

Office Equipment	33%
Furniture & Fittings	20%

h) *Debtors*

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

## **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 31st March 2016**

- i) *Cash at Bank and in Hand*  
Cash at bank and cash in hand includes cash and all amounts held within bank current and deposit accounts.
- j) *Creditors and Provisions*  
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.
- k) *Financial Instruments*  
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- l) *Pensions*  
The charity participates in a multi-employer defined benefit pension scheme, and makes contributions to employees' defined contribution schemes. 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 amount charged to the Statement of Financial Activities represents the total contributions payable to both schemes in respect of the accounting year.
- m) *Taxation*  
The charity meets the definition of a charitable company for UK corporation tax purposes and is therefore considered exempt.
- n) *Foreign Currencies*  
Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses in transactions are included in the statement of financial activities.

## **2. Legal Status of the Charity**

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

## **3. Net Incoming Resources for Period**

This is stated after charging:

	2016 £	2015 £
Auditor's remuneration	2,400	1,800
Depreciation	2,605	2,604

**EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

**Notes to the Financial Statements**  
**for the Year Ended 31st March 2016**

**4. Income from Donations and Legacies**

	2016 £	2015 £
<u>Donations</u>		
LGBT	-	415
Police Scotland	-	150
Osbert Lancaster	100	-
Heriot Watt University	50	-
Keep Scotland Beautiful	250	-
Other sundry donations	11	-
	<u>411</u>	<u>565</u>

Income from donations and legacies was £411 (2015 : £565) of which £nil (2015 : £415) was attributable to restricted funds and £411 (2015 : £150) was attributable to unrestricted funds.

**5. Income from Charitable Activities**

	2016 £	2015 £
<u>Grants Received</u>		
City of Edinburgh Council	-	60,000
Big Lottery Fund	55,550	16,326
Voluntary Action Fund	-	10,000
Communities for Conservation	96,978	87,534
Scottish Government	50,558	50,000
Ponton House Trust	-	2,000
Santander Bank	-	4,763
Robertson Trust	8,000	-
Forestry Commission	895	-
SACRO	32,306	-
British Council	9,911	-
Cycling for Scotland	5,000	-
	<u>259,198</u>	<u>230,623</u>
<u>Sundry Income</u>		
Training & events	200	941
SAREC	-	3,312
Other sundry income	922	1,231
	<u>1,122</u>	<u>5,484</u>
	<u>260,320</u>	<u>236,107</u>

Income from charitable activities was £260,320 (2015 : £236,107) of which £259,198 (2015 : £173,935) was attributable to restricted funds and £1,122 (2015 : £62,172) was attributable to unrestricted funds.

# **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

## **Notes to the Financial Statements** **for the Year Ended 31st March 2016**

### **6. Charitable Expenditure**

	Promotion of Equality £	Total 2016 £	Total 2015 £
Staff costs (Note 8)	153,934	153,934	119,081
Events & activities	25,910	25,910	14,043
IT & computing	9,094	9,094	6,106
Meeting costs	-	-	304
Travel expenses	12,537	12,537	2,751
Volunteers expenses	4,931	4,931	3,043
Grants repaid	2,064	2,064	-
Support costs (Note 7)	67,643	67,643	69,379
Governance costs (Note 7)	4,170	4,170	5,953
	<b>280,283</b>	<b>280,283</b>	<b>220,660</b>

Expenditure on charitable activities was £280,283 (2015 : £220,660) of which £241,749 (2015 : £168,469) was attributable to restricted funds and £38,534 (2015 : £52,191) was attributable to unrestricted funds.

### **7. Analysis of Governance and Support Costs**

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between its key charitable activities undertaken (see Note 6) in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	Support Costs £	Governance Costs £	Total 2016 £	Total 2015 £
Staff costs (Note 8)	29,614	-	29,614	20,451
Consultancy, legal & professional	832	-	832	220
Depreciation	2,605	-	2,605	2,604
Heating & lighting	1,522	-	1,522	3,848
Insurance	988	-	988	1,376
Repairs, maintenance & cleaning	4,530	-	4,530	9,628
Postage, Printing & stationery	5,186	-	5,186	4,060
Recruitment & advertising	-	-	-	1,750
Rent & rates	15,807	-	15,807	14,398
Sundry expenses	606	-	606	459
Telephone, fax & internet	2,580	-	2,580	2,391
Training costs	3,373	-	3,373	8,194
Accountancy fees	-	1,770	1,770	4,153
Audit fees	-	2,400	2,400	1,800
	<b>67,643</b>	<b>4,170</b>	<b>71,813</b>	<b>75,332</b>

All costs are allocated to activities on a direct basis, with the exception of staff costs which are allocated on the basis of time spent.



# **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

## **Notes to the Financial Statements** **for the Year Ended 31st March 2016**

### **8. Analysis of Staff Costs, and Director Remuneration and Expenses**

	2016	2015
Average number of employees during the year:		
Senior staff members	1	1
Project development officers	12	9
Administrative staff	1	2
Cleaner	1	1
	<u>15</u>	<u>13</u>
	£	£
Aggregate remuneration and associated costs of the charity:		
Wages & salaries	169,372	126,748
Social security costs	7,002	5,321
Pension costs	7,174	7,463
	<u>183,548</u>	<u>139,532</u>

No employees in both the current and previous year received emoluments in excess of £60,000.

No remuneration or expenses for services provided to the charity were paid to any of the directors or to persons connected with them in both the current and previous year.

#### **Pension scheme**

The charity contributed £3,297 (2015 - £3,131) to the defined benefit pension scheme and £3,877 (2015 - £4,332) to employees' defined contribution schemes. Outstanding contributions at the year end amounted to £149 (2015 - £nil).

### **9. Tangible Fixed Assets**

	Office Equipment £	Furniture & Fittings £	Total £
<i>Cost</i>			
At 1st April 2015	19,991	1,365	21,356
Additions	-	-	-
At 31st March 2016	<u>19,991</u>	<u>1,365</u>	<u>21,356</u>
<i>Depreciation</i>			
At 1st April 2015	14,782	1,365	16,147
Charge for the Year	2,605	-	2,605
At 31st March 2016	<u>17,387</u>	<u>1,365</u>	<u>18,752</u>
<i>Net Book Value</i>			
At 31st March 2016	<u>2,604</u>	<u>-</u>	<u>2,604</u>
At 31st March 2015	<u>5,209</u>	<u>-</u>	<u>5,209</u>

**EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

**Notes to the Financial Statements**  
**for the Year Ended 31st March 2016**

**10. Debtors**

	2016 £	2015 £
Accrued income	29,027	12,220
Prepayments	1,167	1,000
	<u>30,194</u>	<u>13,220</u>

**11. Creditors : Amounts Falling Due Within One Year**

	2016 £	2015 £
Trade creditors	-	2,763
Taxation and social security	2,926	2,214
Accruals	5,549	3,060
Deferred income (Note 12)	-	10,900
	<u>8,475</u>	<u>18,937</u>

**12. Deferred Income**

	2016 £	2015 £
Balance brought forward	10,900	23,326
New funding received	-	10,900
Expenditure on projects	<u>(10,900)</u>	<u>(23,326)</u>
	<u>-</u>	<u>10,900</u>

There were no amounts deferred at the year end. Amounts for the previous year represent income received in advance from the Big Lottery (£9,700) and the Scottish Government (£1,200).

# **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

## **Notes to the Financial Statements** **for the Year Ended 31st March 2016**

### **13. Movements in Funds**

	Balance at 01/04/2015 £	Movement in Resources Incoming £	Outgoing £	Transfers £	Balance at 31/03/2016 £
<b>Unrestricted Funds</b>					
General Fund – Core Costs	36,708	1,560	(38,534)	(12,977)	(13,243)
Designated Fund – Future Costs	23,930	-	-	-	23,930
	<b>60,638</b>	<b>1,560</b>	<b>(38,534)</b>	<b>(12,977)</b>	<b>10,687</b>
<b>Restricted Funds</b>					
Equalities Engagement	-	25,000	(22,498)	-	2,502
Young People Against Hate	-	47,050	(38,757)	-	8,293
True Colours	3,214	24,358	(23,996)	-	3,576
Communities for Conservation	2,409	96,978	(109,033)	9,646	-
Santander Fund	2,800	-	(1,400)	-	1,400
Forestry Commission	-	895	(759)	-	136
Poverty & Inequality	-	9,700	(8,096)	-	1,604
Cycling for Scotland	-	5,000	-	-	5,000
Bright Choices	-	32,306	(20,707)	-	11,599
Your Network	-	9,911	(13,242)	3,331	-
Youth Zone	-	8,000	(3,261)	-	4,739
	<b>8,423</b>	<b>259,198</b>	<b>(241,749)</b>	<b>12,977</b>	<b>38,849</b>
<b>Total Funds</b>	<b>69,091</b>	<b>260,758</b>	<b>(280,283)</b>	<b>-</b>	<b>49,536</b>

Transfers of £12,977 were made from unrestricted to restricted funds to cover overspends on projects.

### **14. Purposes of 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.

## **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 31st March 2016**

#### **14. Purposes of Restricted & Designated Funds (cont'd)**

**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.

**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.

**Forestry Commission** – the Forestry Commission gave ELREC a small grant that aimed to get Black and Minority Ethnic people and underrepresented groups out in green areas and in spaces managed by the Forestry Commission. Three trips were organised, one focusing on walking, another one on cycling and the third one on photography.

**Poverty & Inequality** – a research project funded by Big Lottery Investing in Ideas that ended in November 2015. It aimed to shine a light on barriers that might be perpetuating the experience of poverty for ethnic minorities in Edinburgh. The project focused on the Pakistani, Bangladeshi and African community whose experience of poverty is outstanding and disproportionate.

**Cycling for Scotland** – a grant that supports ELREC Cycling Club and that has allowed the purchase of a fleet of bikes. The project aims to encourage BME people to use bikes more, by providing a library where they can borrow the bikes and by organising cycling lessons for beginners, bike maintenance classes and group cycle sessions.

**Bright Choices** – it started in 2015 and it is funded for four years by Big Lottery Investing in Communities. It is a partnership project with SACRO and Multicultural Family Base and it supports people who have difficult relationships with their families or their communities. These difficulties can stem from a disagreement about how people are supposed to dress, behave, who to marry, how to treat their children, if they are allowed to finish their education and who they are allowed to have as friends.

**Your Network** – it is funded by Erasmus Plus, but the funding was managed by the British Council. The aim of this project was to bring together 6 organisations across Europe working to support young people find employment and have an understanding of the challenges of moving abroad.

**Youth Zone** – it is a project funded by the Robertson Trust and match funded by Big Lottery Young Start. It is a space created for all young people in Edinburgh with different cultural backgrounds who are looking for employment, higher education or volunteering opportunities. It provides support and advice in employability skills, in improving the CV and in preparing for a job interview.

**Designated Fund : 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 18). Recovery payments made in the year are charged to the designated fund.

# **EDINBURGH AND LOTHIAN REGIONAL EQUALITY COUNCIL LIMITED**

## **Notes to the Financial Statements** **for the Year Ended 31st March 2016**

### **15. Analysis of Net Assets Between Funds**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	-	2,604	2,604
Debtors	1,167	29,027	30,194
Cash at bank and in hand	17,995	7,218	25,213
Current liabilities	(8,475)	-	(8,475)
	<u>10,687</u>	<u>38,849</u>	<u>49,536</u>

### **16. Operating Leases**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	2016 £	2015 £
Land & Buildings		
Due within one year	-	12,000
Due within two to five years	15,000	-
	<u>15,000</u>	<u>12,000</u>

### **17. 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 Foysol Hussain Choudhury M.B.E are directors of both ELREC and SAREC.

During the year to 31 March 2016, ELREC charged SAREC the sum of £nil for administrative services and expenses (2015 - £3,312).

### **18. 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.

Due to the nature of the scheme, 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, and so the accounting charge for the period under FRS17 represents the employer contribution payable, and the scheme is accounted for as if it were a defined contribution scheme.

## **EDINBURGH AND LoTHIANS REGIONAL EQUALITY COUNCIL LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 31st March 2016**

#### **18. Defined Benefit Pension Scheme (cont'd)**

The last formal valuation of the Scheme was performed at 30 September 2014. This valuation showed assets of £88.22m, liabilities of £122.15m, and a deficit of £33.93m.

An interim valuation of the Scheme was performed at 30 September 2015. This valuation showed assets of £99.98m, liabilities of £130.59m, and a deficit of £35.61m.

To eliminate this funding shortfall, the Trustee prepared a recovery plan asking the participating employers to pay additional contributions.

Recovery payments for the year to 31 March 2016 were £3,297 (2015: £3,108), and are expected to increase by 3% each year thereafter. This pattern of contributions should be sufficient to eliminate the entire funding shortfall by 31 March 2028.

#### **19. Contingent Liabilities**

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 2015. As of this date, the estimated employer debt for ELREC was £274,121.