

Safe in Scotland
Financial Statements
31 March 2022

NELSON GILMOUR SMITH

Chartered accountants & statutory auditor
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

Safe in Scotland

Financial Statements

Year ended 31 March 2022

	Page
Trustees' annual report	1
Independent auditor's report to the trustees of Safe in Scotland	7
Statement of financial activities	11
Statement of financial position	12
Statement of cash flows	13
Notes to the financial statements	14

Safe in Scotland

Trustees' Annual Report

Year ended 31 March 2022

The trustees present their report and the financial statements of the charity for the year ended 31 March 2022.

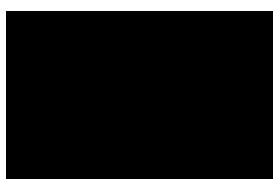
Reference and administrative details

Registered charity name Safe in Scotland

Charity registration number SC047169

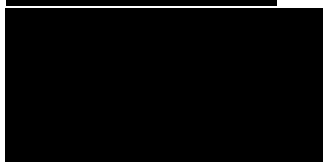
Principal office c/o Brett Nicholls Associates
63 Ruthven Lane
Glasgow
G12 9BG

The trustees



Chair (Appointed 5 October 2021)
Treasurer

(Appointed 27 August 2021)



Chair (Resigned 12 August 2021)
(Resigned 22 February 2022)
(Resigned 23 September 2021)
(Resigned 18 May 2021)
(Appointed 27 August 2021)
(Resigned 15 December 2021)



Chief Executive Officer

Auditor

Nelson Gilmour Smith
Chartered accountants & statutory auditor
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

Bankers

TSB Bank plc
Henry Duncan House
120 George Street
Edinburgh
EH2 4LH

Safe in Scotland

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Objectives and activities

Objectives

Safe in Scotland (formerly Glasgow Night Shelter for Destitute Asylum Seekers) has been preventing homelessness among destitute asylum seekers since 2011.

It is a registered Scottish charity with the primary objectives being:

1. The prevention or relief of poverty;
2. The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage

And also having the following specific objectives:

- (a) To provide temporary overnight accommodation for destitute asylum seekers, non EU migrants and other people who, due to their immigration status, are not eligible for benefits and cannot access normal homelessness services
- (b) To provide, where possible, one hot, nourishing, healthy meal every evening for people staying in the emergency accommodation
- (c) To work towards an end to destitution.

Achievements and performance

Charitable Activities

The period covered in this report saw the organisation continuing to respond to the ongoing Covid pandemic. As such, the organisation, its staff, guests and volunteers continued to deal with a number of evolving challenges, including the energy crisis and growing inflation driving unprecedented cost increases.

That the organisation has come through this period stronger, more focused, and better positioned to deliver on its objectives is a testament to their incredible effort, commitment and solidarity.

Despite the two years of Covid pandemic challenges we have continued to deliver on our long-term vision of providing individual, dignified, trauma-informed accommodation for our guests. We remain grateful for the continued support of Queens Cross Housing Association and Simon Community Scotland in supporting this delivery model.

We implemented our transformed operational model, with triage and casework support in partnership with Scottish Refugee Council; everyone who stays has their own ensuite room, there are facilities (and supplies) to make food independently, as well as a community kitchen offering 3 meals a day.

Underpinning these operational aspects is a human-rights based approach. Our approach is participatory and further development and delivery of our work is decided on by those who stay.

We are part of a community, and work alongside the people who stay with us, and the wider refugee population in Scotland, to ensure that this wealth of knowledge and strengths is at the heart of what we do. We have developed a unique way of working that reflects the position of the guests, is informed by the challenges they face, but works with the many strengths and assets that they bring.

Our guests are all at different points in a long bureaucratic process which hopefully ends in them being granted refugee status. The power to make or change immigration rules is reserved to Westminster and the Government intends to overhaul the asylum system for the whole of the UK.

The Nationality and Borders Act 2022 was signed into law on 28 April 2022. Perhaps most significant of the changes is the focus on the route by which asylum seekers arrive in the UK, with anyone who arrives illegally being considered inadmissible to the asylum system.

Safe in Scotland

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

This creates a 'two-tier' system with a significant number of those currently eligible to apply for asylum locked out of the usual means of support and therefore more likely to face destitution here in Scotland.

The United Nations High Commissioner for Refugees has warned that the Bill undermines the 1951 Refugee Convention and that the policies would risk the lives and well-being of vulnerable people.

Like most organisations in the sector, we have grave concerns about what the Act will mean for the wellbeing of our future guests, for our capacity to meet their needs and the future of immigration and integration of New Scots in Scotland.

The Trustees are deeply proud of the work of the whole organisation to make the transition from emergency shelter to 24/7 operation and regard this as a significant organisational milestone. This, in the context of Covid, while supporting over 100 guests in the last year, is a credit to the whole team.

Safe in Scotland completed a transition from volunteer-led basic overnight shelter to 24/7 operation in autumn 2020 and has developed an operating model that is participatory and can meet the complex and diverse needs of our community, relative to the resource we have at our disposal. The organisational focus is always on the front line. We are able to accommodate 17 male asylum seekers who have no recourse to public funds, at any one time, in a building leased to us on a peppercorn by Queens Cross Housing Association. In an average year, between 80-100 people stay within the accommodation provided. Their move-on is entirely dependent on the pace of Home Office decision making, although their capacity to engage with the process and potentially hasten their move, is increased by the work the charity does to support and enable advocacy.

The Trustees efforts have been focused on exploring options to ensure the sustainability of the vital services we provide.

Future Strategy

Despite the uncertainties of the UK political context, we continued to consolidate the organisation's transformation from an emergency humanitarian responder towards a practice-based leader of change.

Safe in Scotland trustees spent Quarter 3 exploring a deeper and more formal partnership with Simon Community Scotland and approached OSCR to explore the regulatory requirements of a potential merger.

Safe in Scotland and Simon Community Scotland have been successfully collaborating for a number of years. Our relationship is premised on three shared aims, which continue to drive our ambition to further deepen our collaboration:

- Improve the opportunities of people at risk of destitution, fully informed by people with lived experience.
- Deliver sector leadership in designing and delivering new ways of intervening to prevent and respond to need where the risk of destitution exists.
- Offer funders and key stakeholders a well-supported, robust and professional collaborative approach and organisational structure.

After a robust due diligence process, a joint delegation from both boards agreed to move forward with an amalgamation of Safe in Scotland and Simon Community Scotland (Scottish Charity Number: SC003076), dissolving the Safe in Scotland SCIO at the appropriate point in 22/23. The terms of the amalgamation are subject to a business transfer agreement, following the OSCR stipulations, and the

Safe in Scotland

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

TUPE of all staff. The services Safe in Scotland currently delivers will continue, and the name will continue to be used.

Financial review

The results for the period are shown in the Statement of Financial Activities (the SOFA) on page 11. The charity had income of £455,164 (2021: £716,193) from grants and donations. Operating costs were £536,983 (2021: £774,363), and there was therefore a deficit of -£81,819 (2021: -£58,170)

The charity had total funds at 31 March 2022 of £133,031 (2021: £215,121), including restricted funds of £88,282 (2021: £84,413) for the purposes set out in Note 20, and a designated fixed asset fund of £3,115 (2021: £4,762). The balance of £41,904 (2021: £126,492) is held in the unrestricted general fund of the charity.

Principal Income Sources

The charity was successful in attracting grant funding from:

- Scottish Government
- Refugee Survival Trust (as part of the Simon Community)
- Tudor Trust
- AB Charitable Trust
- JMA Trust
- Oak Foundation
- Endrick Trust

The trustees express their sincere thanks to the Scottish Government and to the above-named trusts and foundations for their grant support.

Additionally, funding was received through individual donations (directly or through online platforms), fundraising and from a range of churches and other organisations sympathetic with the work of the charity. The Trustees are thankful for this generous support.

We are also very thankful for the non-cash donations and gifts provided by the local community.

Reserves Policy

The trustees have examined the organisation's requirements for reserves in the light of the main risks to the charity. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets should be around 3 months of the annual expenditure. Based on the results for the year ended 31 March 2022, this equates to reserves of around £134,000. The trustees are confident that at this level, they would be able to continue the current service in the event of a significant drop in funding.

The charity currently has free reserves of £41,904 and the trustees are aware this falls short of this aspiration. The trustees are continuing efforts to generate funding streams and have been considering all other options in order to ensure the continuation of the service.

Safe in Scotland

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Structure, governance and management

Governing Document

Safe in Scotland (previously the Glasgow Night Shelter for Destitute Asylum Seekers) is a Scottish Charitable Incorporated Organisation (SCIO) and was registered as a charity with the Office of the Scottish Charity Regulator (OSCR) on 10 February 2017. It is established under a Constitution that sets out the objectives and powers of the association. The organisation was previously an unincorporated association, also registered as a charity with OSCR since 2011.

Management Structure

The executive management of the charity is the responsibility of the Trustees who meet approximately every 2 months. Trustees meet more frequently when required.

Day to day operational responsibility is delegated to the Chief Executive Officer and the senior staff team. Following the move to new accommodation and a 24/7 service, the staffing structure was reviewed and additional staff resources employed to meet the demands of a round the clock operation.

Recruitment and Appointment of Trustees

Trustees are appointed in accordance with the Constitution. Individuals are chosen based on their experience and sympathy with the general work and aims of the charity. Some of the members also volunteer with the charity in other roles, such as preparing meals.

There were a number of changes to the board of trustees during the year as the service developed and knowledge gaps were identified. During the year several board members stepped down and the remaining trustees would like to note their thanks to those trustees for their contributions and support.

Risk Management

The trustees undertook a full review of the risks associated with the charity and its operation. Risks were reviewed by all trustees and discussed with relevant staff members at Board meetings, and more frequently as and when required.

The risk register was updated where necessary to ensure all risks are identified and appropriate mitigation measures implemented.

The Board decided mid-year to explore options around forming a strategic partnership that would strengthen the governance of the charity, strengthen the work of the organisation in relation to people with NRPF and help secure access to wider funding. This was documented in the risk register.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 23 to the financial statements.

Safe in Scotland

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

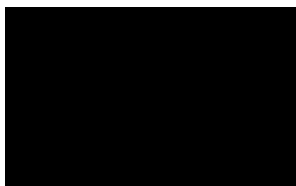
The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 6th October 2022 and signed on behalf of the board of



Chair

Safe in Scotland

Independent Auditor's Report to the Trustees of Safe in Scotland

Year ended 31 March 2022

Opinion

We have audited the financial statements of Safe in Scotland (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 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;
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Safe in Scotland

Independent Auditor's Report to the Trustees of Safe in Scotland *(continued)*

Year ended 31 March 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Safe in Scotland

Independent Auditor's Report to the Trustees of Safe in Scotland *(continued)*

Year ended 31 March 2022

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified the principal risks of non-compliance with laws and regulations and the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006. We evaluated managements' incentives and opportunities for the fraudulent manipulation of the financial statements, including the risk of override of controls. Based on our assessment we adopted a substantive approach to our audit testing. Audit procedures performed included:

Testing a sample of transactions to source documentation. We select sample sizes having regard to the inherent risk (specific and general), the quality of the internal controls and the risk that our testing might not detect possible misstatements.

Making enquiries of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims. Identifying legislation of particular relevance to the entity and obtaining audit evidence regarding compliance with that legislation.

Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business

There are inherent limitations in the audit procedures described above. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example forgery or concealment.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Safe in Scotland

Independent Auditor's Report to the Trustees of Safe in Scotland *(continued)*

Year ended 31 March 2022

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nelson Gilmour Smith
Chartered accountants & statutory auditor
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

6 October 2022

Safe in Scotland

Statement of Financial Activities

Year ended 31 March 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	212,087	219,084	431,171	692,998
Charitable activities	5	23,993	–	23,993	23,195
Total income		<u>236,080</u>	<u>219,084</u>	<u>455,164</u>	<u>716,193</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	6	2,503	3,350	5,853	900
Expenditure on charitable activities	7,8	320,619	210,512	531,130	773,463
Total expenditure		<u>323,122</u>	<u>213,862</u>	<u>536,983</u>	<u>774,363</u>
Net expenditure		<u>(87,042)</u>	<u>5,222</u>	<u>(81,819)</u>	<u>(58,170)</u>
Transfers between funds		1,353	(1,353)	–	–
Net movement in funds		<u>(85,689)</u>	<u>3,869</u>	<u>(81,819)</u>	<u>(58,170)</u>
Reconciliation of funds					
Total funds brought forward		130,708	84,413	215,121	273,291
Total funds carried forward		<u>45,019</u>	<u>88,282</u>	<u>133,301</u>	<u>215,121</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 14 to 25 form part of these financial statements.

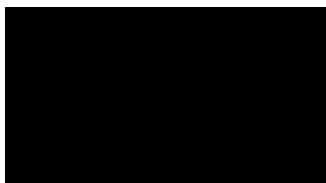
Safe in Scotland

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	15	3,115	4,216
Current assets			
Debtors	16	6,517	54,444
Cash at bank and in hand		179,481	209,855
		<u>185,998</u>	<u>264,299</u>
Creditors: amounts falling due within one year	17	<u>55,811</u>	<u>53,394</u>
Net current assets		<u>130,187</u>	<u>210,905</u>
Total assets less current liabilities		<u>133,302</u>	<u>215,121</u>
Net assets		<u>133,302</u>	<u>215,121</u>
Funds of the charity			
Restricted funds		88,282	84,413
Unrestricted funds		<u>45,019</u>	<u>130,708</u>
Total charity funds	20	<u>133,301</u>	<u>215,121</u>

These financial statements were approved by the board of trustees and authorised for issue on 6th October 2022, and are signed on behalf of the board by:



Treasurer

The notes on pages 14 to 25 form part of these financial statements.

Safe in Scotland

Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net expenditure	(81,819)	(58,170)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	1,901	1,562
Accrued (income)/expenses	(8,613)	23,192
<i>Changes in:</i>		
Trade and other debtors	47,927	(5,731)
Trade and other creditors	11,030	18,863
Cash generated from operations	(29,574)	(20,284)
Net cash used in operating activities	<u>(29,574)</u>	<u>(20,284)</u>
Cash flows from investing activities		
Purchase of tangible assets	<u>(800)</u>	<u>(1,016)</u>
Net cash used in investing activities	<u>(800)</u>	<u>(1,016)</u>
Net decrease in cash and cash equivalents	(30,374)	(21,300)
Cash and cash equivalents at beginning of year	<u>209,855</u>	<u>231,155</u>
Cash and cash equivalents at end of year	<u>179,481</u>	<u>209,855</u>

The notes on pages 14 to 25 form part of these financial statements.

Safe in Scotland

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a registered charity in Scotland and is unincorporated. The address of the principal office is c/o Brett Nicholls Associates, 63 Ruthven Lane, Glasgow, G12 9BG.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% straight line
Equipment	-	20% straight line
Office Equipment	-	Office Equipment

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Individual donations including gift aid	20,550	–	20,550
Companies & organisations	75,198	–	75,198

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants			
National Lottery Community Fund Ending			
Homelessness	–	–	–
Refugee Survival Trust	42,559	–	42,559
Tudor Trust	–	–	–
JMA Trust	–	13,000	13,000
Scottish Government New Scots Digital	–	22,517	22,517
AB Charitable Trust	20,000	–	20,000
Wellbeing Fund	–	–	–
Homeless Link	–	–	–
Scottish Government Immediate Priorities	–	61,067	61,067
Respond & Adapt Programme	–	–	–
Oak Foundation	40,000	–	40,000
Scottish Government Mental Health	–	112,500	112,500
Other grants	13,780	10,000	23,780
	<u>212,087</u>	<u>219,084</u>	<u>431,171</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Individual donations including gift aid	26,479	–	26,479
Companies & organisations	5,302	–	5,302
Grants			
National Lottery Community Fund Ending			
Homelessness	–	30,000	30,000
Refugee Survival Trust	63,303	–	63,303
Tudor Trust	32,000	1,000	33,000
JMA Trust	–	–	–
Scottish Government New Scots Digital	–	–	–
AB Charitable Trust	10,000	–	10,000
Wellbeing Fund	–	27,500	27,500
Homeless Link	–	43,000	43,000
Scottish Government Immediate Priorities	–	390,000	390,000
Respond & Adapt Programme	–	30,000	30,000
Oak Foundation	–	–	–
Scottish Government Mental Health	–	–	–
Other grants	30,914	3,500	34,414
	<u>167,998</u>	<u>525,000</u>	<u>692,998</u>

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Other income from charitable activities	<u>23,993</u>	<u>—</u>	<u>23,993</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Other income from charitable activities	<u>5,868</u>	<u>17,327</u>	<u>23,195</u>

6. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies - Donations	<u>2,503</u>	<u>3,350</u>	<u>5,853</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Costs of raising donations and legacies - Donations	<u>—</u>	<u>900</u>	<u>900</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Care for destitute asylum seekers	214,112	68,420	282,532
Support costs	<u>106,507</u>	<u>142,092</u>	<u>248,598</u>
	<u>320,619</u>	<u>210,512</u>	<u>531,130</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Care for destitute asylum seekers	31,353	579,998	611,349
Support costs	<u>22,755</u>	<u>139,357</u>	<u>162,114</u>
	<u>54,108</u>	<u>719,355</u>	<u>773,463</u>

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Care for destitute asylum seekers	282,532	244,988	527,520	770,463
Governance costs	—	3,610	3,610	3,000
	<u>282,532</u>	<u>248,598</u>	<u>531,130</u>	<u>773,463</u>

9. Analysis of support costs

	Analysis of support costs £	Total 2022 £	Total 2021 £
Staff costs	182,036	182,036	128,373
Premises	47,669	47,669	—
General office	15,893	15,893	27,237
Human resources	—	—	3,504
Governance costs	3,000	3,000	3,000
	<u>248,598</u>	<u>248,598</u>	<u>162,114</u>

10. Analysis of grants

	2022 £	2021 £
Grants to institutions		
Grants to institutions	—	2,000
	<u>—</u>	<u>2,000</u>
Total grants	<u>—</u>	<u>2,000</u>

11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>1,901</u>	<u>1,562</u>

12. Auditors remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>3,000</u>	<u>3,000</u>

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	369,039	335,735
Social security costs	25,616	21,706
Employer contributions to pension plans	21,629	15,459
Other employee benefits	230	1,231
	<u>416,514</u>	<u>374,131</u>

The average head count of employees during the year was 26 (2021: 19).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £44,940 (2021: £44,940).

14. Trustee remuneration and expenses

No trustee received any remuneration or other benefits from employment with the charity.

15. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Office Equipment £	Total £
Cost				
At 1 April 2021	1,947	9,478	1,247	12,672
Additions	—	800	—	800
At 31 March 2022	<u>1,947</u>	<u>10,278</u>	<u>1,247</u>	<u>13,472</u>
Depreciation				
At 1 April 2021	1,275	6,579	602	8,456
Charge for the year	367	1,284	250	1,901
At 31 March 2022	<u>1,642</u>	<u>7,863</u>	<u>852</u>	<u>10,357</u>
Carrying amount				
At 31 March 2022	<u>305</u>	<u>2,415</u>	<u>395</u>	<u>3,115</u>
At 31 March 2021	<u>672</u>	<u>2,899</u>	<u>645</u>	<u>4,216</u>

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

16. Debtors

	2022 £	2021 £
Trade debtors	–	12,698
Prepayments and accrued income	2,021	1,364
Accrued income	4,496	40,382
	<u>6,517</u>	<u>54,444</u>

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	6,674	12,644
Accruals and deferred income	49,137	40,750
	<u>55,811</u>	<u>53,394</u>

18. Deferred income

	2022 £	2021 £
Amount deferred in year	<u>30,000</u>	<u>13,000</u>

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £21,629 (2021: £15,459).

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
General funds	126,492	236,080	(321,221)	553	41,904
Fixed asset fund	4,216	–	(1,901)	800	3,115
	<u>130,708</u>	<u>236,080</u>	<u>(323,122)</u>	<u>1,353</u>	<u>45,019</u>

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General funds	3,209	173,866	(52,546)	1,963	126,492
Fixed asset fund	4,762	–	(1,562)	1,016	4,216
	<u>7,971</u>	<u>173,866</u>	<u>(54,108)</u>	<u>2,979</u>	<u>130,708</u>

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

20. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Scottish Government: Outreach	—	—	—	—	—
Scottish Government Maximising Rights TNLCF Ending	—	—	—	—	—
Homelessness	1,353	—	—	(1,353)	—
Women's Shelter	—	—	—	—	—
Scottish Government Immediate Priorities Respond & Adapt Programme	46,525	61,067	(107,592)	—	—
Homeless Link	30,000	—	(30,000)	—	—
Wellbeing Fund	6,535	—	(6,535)	—	—
JMA Trust	—	—	—	—	—
Scottish Government Get New Scots Digital	—	23,000	(23,000)	—	—
Scottish Government Improving Mental Health	—	22,517	(22,517)	—	—
	—	112,500	(24,218)	—	88,282
	<u>84,413</u>	<u>219,084</u>	<u>(213,862)</u>	<u>(1,353)</u>	<u>88,282</u>

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Scottish Government: Outreach	15,628	—	(15,628)	—	—
Scottish Government Maximising Rights TNLCF Ending	160,019	—	(160,019)	—	—
Homelessness	84,694	30,000	(113,341)	—	1,353
Women's Shelter	4,979	—	(2,000)	(2,979)	—
Scottish Government Immediate Priorities Respond & Adapt Programme	—	411,827	(365,302)	—	46,525
Homeless Link	—	30,000	—	—	30,000
Wellbeing Fund	—	43,000	(36,465)	—	6,535
JMA Trust	—	27,500	(27,500)	—	—
Scottish Government Get New Scots Digital	—	—	—	—	—
Scottish Government Improving Mental Health	—	—	—	—	—
	<u>265,320</u>	<u>542,327</u>	<u>(720,255)</u>	<u>(2,979)</u>	<u>84,413</u>

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

20. Analysis of charitable funds *(continued)*

(a) This fund arises from grant income from the Refugee Survival Trust to carry out work under their Destitute Asylum Seeker Service project. The grant was fully spent during the period.

(b) The Scottish Government have provided a grant to enable the charity to engage in outreach work with our beneficiaries. The balance of this grant will be spent in the subsequent financial year.

(c) The Scottish Government have provided a grant for the development of premises at Great Western Road in Glasgow. This grant was received near the end of the financial year and will be spent in the subsequent financial year.

(d) The Big Lottery has provided a grant for the charity's Accommodation Pathways project, principally to fund salary costs of the Project Director and caseworker. The balance carried forward will be spent in the subsequent financial year.

(e) The Christmas fund is used to give small Christmas gifts to guests and subsidise the cost of a Christmas lunch. The fund is ongoing and funds carried forward will support similar activity in future years.

(f) This fund arises from donations towards the establishment of a women's shelter. The funds will contribute towards the running costs of the shelter once suitable premises are identified.

(g) The Big Lottery Fund provided a grant towards the cost of relocating into new premises. The balance of funds will be spent in the subsequent financial year.

(h) The Tudor Trust provided a grant to be used on organisational development work. The grant was fully spent during the year.

(i) The Fixed Asset fund represents the net book value of tangible fixed assets. The cost of assets purchased is transferred into the fund and annual depreciation is charged to the fund.

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	3,115	–	3,115
Current assets	97,716	88,282	185,998
Creditors less than 1 year	(55,811)	–	(55,811)
Net assets	45,020	88,282	133,302

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	4,216	–	4,216
Current assets	186,937	77,362	264,299
Creditors less than 1 year	(46,343)	(7,051)	(53,394)
Net assets	144,810	70,311	215,121

22. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	209,855	(30,374)	179,481

Safe in Scotland

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

23. Post balance sheet events

The Trustees of Safe In Scotland resolved on 11 May that Safe in Scotland will wind up as a SCIO by the autumn of this year and operate as part of our existing close partner organisation Simon Community Scotland. All staff and assets will be transferred to the Simon Community.

24. Ethical standards

In common with many Charities of our size we use our auditors to prepare Statutory Financial Statements.