



Scott-Moncrieff
business advisers and accountants

SCOTTISH RECOVERY CONSORTIUM

Annual Report and Unaudited Financial Statements

For the year ended 31 March 2015

Registered Charity Number: SCO41181

Registered Number: SC366140

SCOTTISH RECOVERY CONSORTIUM

Annual Report and Unaudited Financial Statements For the year ended 31 March 2015

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Annual Report and Unaudited Financial Statements For the year ended 31 March 2015

Company Information

Directors

J Goldie (Chair)
D Casci (Vice Chair)
C Chamberlain (Co-opted)
P Devine
D Graham
S McEwan
A A Ryan
S McCutcheon (Co-opted)
N Smith (Co-opted)

Secretary

D Kuladharini Chief Executive

Solicitors

T C Young
Solicitors
7 West George Street
Glasgow
G2 1BA

Registered office

7 West George Street
Glasgow
G2 1BA

Bankers

Royal Bank of Scotland
23 Sauchiehall Street
Glasgow
G2 3AD

Independent examiner

Michael Harkness
Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

SCOTTISH RECOVERY CONSORTIUM

Report of the Directors For the year ended 31 March 2015

The Board of directors, as detailed on page 1, present their report together with the financial statements for the year ended 31 March 2015.

Reference and administrative information

The company is a company limited by guarantee, with company registration number SC366140. The charity registration number is SC041181 and the principal place of business is 30 Bell Street, Glasgow.

Review of performance for the year

The Scottish Recovery Consortium has incurred a deficit of £10,890 (2014: £25,000) for the year ended 31 March 2015, and has total funds at 31 March 2015 of £35,247 (2014: £46,137).

Within this total, there are designated funds totalling £23,986 (2014: £45,638). Further details regarding the designated funds are included within note 12 to the financial statements.

The Scottish Recovery Consortium Board met the challenges of the financial year 2014-15 in full. We ended the year with a new organisational and financial strategy firmly in place and with another successful year of work plan delivery behind us.

The challenges included more clearly articulating the role of the SRC now that the first 5 years of the Road To Recovery drug strategy were over. At that significant milestone we took the opportunity to ask ourselves what we are now as an organisation and what do and can we contribute more to the growth of recovery from addiction in Scotland.

We created a new vision and a clear role for the SRC in making that vision manifest:

- Our vision is that Scotland will be a country in recovery from drug and alcohol addiction.

The work plan delivery was made all the more significant in 2014-15 by the fact that despite a 11 % cut in grant the staff team completed the plan in full and in some cases exceeded the years' targets. The team did this by finding additional funds from the national lottery and the Robertson trust to fund specific pieces of work; the building of recovery networks and the methadone memoirs project. In addition they adapted the structure and pattern of their work to the different financial climate. More partners were involved in funding events and the team asked for help more often.

Future plans

The Board has created a new membership policy and will be implementing that in the next financial year. They are also undertaking a major review of all their existing policies to update them with new legislation and make them more explicitly recovery friendly where necessary. The team and the Board will work together to create new funding streams and implement their new 3-year financial strategy.

The Board will also be implementing improved conditions of work for the staff team a package that includes a 35-hour working week and new compressed working hours policy was passed in the March 2015 board meeting.

Investments

All surplus funds are retained in low risk interest bearing bank deposit accounts.

Risk management

The Board has produced a risk register which outlines all the main threats and risks. In this current financial climate the main risk is a loss of funding, and the Board continues to review strategies that will enable them to sustain core grant funding and identify other potential funding opportunities.

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Report of the Directors For the year ended 31 March 2015

Organisational structure

The company is led by the Board of directors, who are elected by a ballot of members at the Annual General Meeting. All members of the SRC are eligible to stand for election to the Board within the rules laid down in the Memorandum and Articles of Association. The minimum number of directors shall be five and the maximum number of directors shall be twelve. A person shall not be eligible for election/appointment as a director unless he/she is a member of the company.

All directors shall serve on the board from the date of their election or appointment until the date of the Annual General Meeting occurring in the third year following their election or appointment at which point they shall retire, but shall then be eligible for re-election subject to a maximum total period as a director of six years.

Two Board sub groups, finance and governance, comprised of the charity's trustees, work on these areas and present recommendations to the full quarterly board meeting for approval.

The day to day operations are undertaken by a small team of four staff, led and managed by the company's Chief Executive.

Directors

The directors who served during the year, and since the year end date, are as follows:-

J Goldie (Chair)	
D Casci (Vice Chair)	
C Chamberlain (Co-opted)	
P Devine	
D Graham	
G Liddell	Resigned 11 December 2014
S McEwan	
G Reekie (Co-opted)	Resigned 3 February 2015
A A Ryan	
C A Topp	Resigned 11 December 2014
S McCutchen (Co-opted)	Appointed 3 February 2015
N Smith (Co-opted)	Appointed 3 February 2015

Appointment, induction and training of directors

Members of the company can self nominate or nominate another member to stand for election to the Board. Board members are then elected at the company's Annual General Meeting.

Board members receive a 'Board Members Information File' when they are elected giving background information on the organisation along with Policies and Procedures and a code of Governance. This file also includes a directory of board members, a register of their interests, office bearer role descriptions and expectations of board members.

Aims and principal activities

The Scottish Recovery Consortium (SRC) is a recovery-orientated charity. We exist to build and promote recovery from addictions in Scotland using means and messages that are consistent with the values and practices of recovery from addictions.

- The SRC is an established recovery-orientated thought and practice leader in Scotland, a position that is increasingly recognised across the UK and is growing internationally.
- The SRC is an agent of change. We alter the beliefs, practices and policies in our country and the cultures that support the proliferation of addictions in our citizens.

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Report of the Directors For the year ended 31 March 2015

Reserves policy

The Scottish Recovery Consortium currently receives its primary income from a Scottish Government annual grant paid six monthly in advance. This current funding arrangement enables the Scottish Recovery Consortium to function with a contingency budget of three months' operating costs. At the end of each annual grant period discussions are held with the funder to identify specific projects that any underspend including the contingency budgets can be designated to for the future year.

The Board regularly reviews the full budget and contingency levels to ensure that it meets the organisation requirements. The Board also regularly reviews the reserves policy and have put in place a Finance Sub-Group who provide guidance and recommendations to the Board both in respect of financial planning and the reserves policy.

The Scottish Recovery Consortium has always recognised vulnerability within its funding structure which saw the absence of a reserves budget that most organizations would have to ensure good business governance, the board has agreed to take steps to rectify this position to ensure there is a reserve of 3 months operating costs built into financial processes of Scottish Recovery Consortium.

Achievements

- 4 Recovery Colleges with 49 graduates
- Opened the University of Life In Recovery and 159 students took part
- Scottish Recovery Workbook published
- 500 people took part in recovery walk on royal mile
- New mutual aid meeting pilot under way with 7 meetings across the country.
- 18 Recovery awareness training events run for 629 treatment staff
- 66 Lead conversation café hosts trained.

Small company exemption

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

Approved on behalf of the directors on 3 November 2015.



**J Goldie
Director**

SCOTTISH RECOVERY CONSORTIUM

Statement of Directors' Responsibilities For the year ended 31 March 2015

The Board of directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Independent Examiner's Report to the Directors of Scottish Recovery Consortium For the year ended 31 March 2015

I report on the financial statements of the charity for the year ended 31 March 2015, which comprise the Statement of Financial Activities and Income and Expenditure Account, Balance Sheet and Notes to the Financial Statements.

This report is made solely to the charity's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005. My examination has been undertaken so that I might state to the charity's directors those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's directors as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of directors and examiner

The charity's directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the Regulations). The charity directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the 2005 Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Michael Harkness

**Michael Harkness
FCCA**

Scott-Moncrieff
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Dated: 3 November 2015

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Statement of Financial Activities and Income & Expenditure Account For the year ended 31 March 2015

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Incoming resources						
Incoming resources from charitable activities	2	242,097	-	28,010	270,107	324,538
Total incoming resources		<u>242,097</u>	<u>-</u>	<u>28,010</u>	<u>270,107</u>	<u>324,538</u>
Resources expended						
Charitable activities	3	234,755	21,652	22,730	279,137	347,738
Governance costs	4	1,860	-	-	1,860	1,800
Total resources expended		<u>236,615</u>	<u>21,652</u>	<u>22,730</u>	<u>280,997</u>	<u>349,538</u>
Net incoming/(outgoing) resources	6	5,482	(21,652)	5,280	(10,890)	(25,000)
Total funds brought forward		<u>499</u>	<u>45,638</u>	<u>-</u>	<u>46,137</u>	<u>71,137</u>
Total funds carried forward	10	<u>5,981</u>	<u>23,986</u>	<u>5,280</u>	<u>35,247</u>	<u>46,137</u>

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

All incoming resources and resources expended derive from continuing activities.

The notes on pages 9 to 13 form part of these financial statements

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Balance Sheet As at 31 March 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	7	17,247	45,638
Current assets			
Debtors	8	3,347	2,192
Cash at bank		20,593	2,101
		<u>23,940</u>	<u>4,293</u>
Current liabilities			
Creditors: due in less than one year	9	5,940	3,794
		<u>18,000</u>	<u>499</u>
Net assets		<u>35,247</u>	<u>46,137</u>
Funds			
Restricted funds	12	5,280	-
Designated funds	12	23,986	45,638
Unrestricted funds	12	5,981	499
	12	<u>35,247</u>	<u>46,137</u>

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

For the year ended 31 March 2015, the company was entitled to exemption from audit under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to the accounts, so far as applicable to the company.

The financial statements were authorised for issue by the directors on 3 November 2015 and signed on their behalf by:



J Goldie
Director

Registered company number: SC366140

The notes on pages 9 to 13 form part of these financial statements

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Notes to the Financial Statements For the year ended 31 March 2015

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, Applicable Accounting Standards and the Statement of Recommended Practice on Accounting and Reporting by Charities.

Incoming resources

Incoming resources represents grants and donations received. They are included when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Taxation

As a registered charity, the company is exempt from tax.

Value Added Tax

The company is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Resources expended

All expenditure is accounted for on an accruals basis as a liability is incurred. Charitable expenditure comprises those costs incurred by the company in the delivery of its activities for its beneficiaries. Governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the company.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tenant's improvements – over the life of the lease
Fixtures, fittings and equipment – 20-33.3% straight line basis

Operating lease agreements

Rentals payable under operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against income as incurred.

Pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. The pension cost charge represents contributions payable by the company in the year.

Going concern

The company has a satisfactory balance sheet and cash flow position as at 31 March 2015 and has secured adequate funding levels for the next year. On this basis, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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Notes to the Financial Statements For the year ended 31 March 2015

1. Accounting policies (cont'd)

Funds

Funds are defined as follows:

Restricted funds are to be used for specific purposes as laid down, either implicitly or explicitly, by the donor. Expenditure which meets the criteria is identified to the fund, together with a fair allocation of overhead support cost.

Unrestricted funds comprise grants and donations received for the objects of the company without further specified purpose and are available as general funds.

Designated funds represent unrestricted funds which have been earmarked by the directors for particular purposes.

2. Incoming resources from charitable activities	2015	2014
	£	£
Grant income – Scottish Government	235,690	266,876
Grant income – The Robertson Trust	6,000	-
Methadone Memoirs Fund	6,030	-
Recovery Initiative Fund	21,980	43,224
Recovery Summit – Scottish Government	-	14,086
Sundry unrestricted income	407	352
	<u>270,107</u>	<u>324,538</u>
3. Charitable activities		
Staff costs	161,656	164,684
Depreciation	28,392	34,070
Other operating costs	89,089	148,984
	<u>279,137</u>	<u>347,738</u>
4. Governance costs		
Independent examination fee	<u>1,800</u>	<u>1,800</u>
5. Staff costs		
Wages and salaries	140,423	142,571
Social security costs	12,111	14,373
Pension costs	9,122	7,740
	<u>161,656</u>	<u>164,684</u>

None of the directors received remuneration from the company in the year (2014: nil), and no employees received remuneration in excess of £60,000 in the year (2014: £nil).

Eight directors were reimbursed a total of £662 in respect of expenses incurred in the year (2014: two directors were reimbursed a total of £394 in respect of expenses incurred).

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Notes to the Financial Statements For the year ended 31 March 2015

6. Net incoming/(outgoing) resources		2015	2014
		£	£
Net incoming/(outgoing) resources is stated after charging:			
Operating leases – land and buildings		15,120	11,000
Depreciation		28,391	34,070
Independent examination fee		1,800	1,800
		<u> </u>	<u> </u>
7. Tangible fixed assets			
	Tenant's	Fixtures,	
	improvements	fittings and	
	£	equipment	Total
		£	£
Cost:			
At 1 April 2014 and 31 March 2015	54,127	25,581	79,708
	<u> </u>	<u> </u>	<u> </u>
Depreciation:			
At 1 April 2014	32,476	1,594	34,070
Charge for the year	21,651	6,740	28,391
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2015	54,127	8,334	62,461
	<u> </u>	<u> </u>	<u> </u>
Net book value:			
At 31 March 2015	-	17,247	17,247
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2014	21,651	23,987	45,638
	<u> </u>	<u> </u>	<u> </u>
8. Debtors		2015	2014
		£	£
Other debtors		1,200	61
Prepayments		2,147	2,131
		<u> </u>	<u> </u>
		3,347	2,192
		<u> </u>	<u> </u>
9. Creditors: due in less than one year			
Accruals		4,628	2,329
Other creditors		1,312	1,465
		<u> </u>	<u> </u>
		5,940	3,794
		<u> </u>	<u> </u>

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**Notes to the Financial Statements
For the year ended 31 March 2015**

10. Analysis of net assets between funds

	Tangible fixed assets £	Other net assets £	Total 2015 £
Designated funds	23,986	-	23,986
Restricted funds	-	5,280	5,280
Unrestricted funds	-	5,981	5,981
	<u>23,986</u>	<u>11,261</u>	<u>35,247</u>

11. Operating lease commitments

At 31 March 2015 the company had annual commitments (excluding VAT) under non-cancellable operating leases as follows:

	2015 Land & buildings £	2014 Land & buildings £
Leases ending within one year	<u>14,000</u>	<u>2,333</u>

12. Funds

	At 1 April 2014 £	Incoming resources £	Resources expended £	At 31 March 2015 £
Restricted reserves:				
Recovery Initiative Fund	-	21,980	(21,980)	-
Methadone Memoirs Fund	-	6,030	(750)	5,280
Total restricted	<u>-</u>	<u>28,010</u>	<u>(22,730)</u>	<u>5,280</u>
Designated reserves:				
Building refurbishment	45,638	-	(21,652)	23,986
Total designated	<u>45,638</u>	<u>-</u>	<u>(21,652)</u>	<u>23,986</u>
General reserve	<u>499</u>	<u>242,097</u>	<u>(236,615)</u>	<u>5,981</u>
	<u>46,137</u>	<u>270,107</u>	<u>(280,997)</u>	<u>35,247</u>

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Notes to the Financial Statements For the year ended 31 March 2015

12. Funds (cont'd)

Restricted reserves comprise the following:

Recovery Initiative Fund – This is a partnership with Lloyds TSB Foundation for Scotland who has received funding from the Scottish Government to work in partnership with the Scottish Recovery Consortium to deliver a small grants programme to support local recovery groups across Scotland. The Scottish Recovery Consortium has invoiced Lloyds TSB Foundation for Scotland for salary and associated costs in relation to the SRC element of programme delivery.

Methadone Memoirs Fund – The charity received income of £6,030 from Awards for all Scotland towards the cost of equipment required for The Methadone Participatory Photography Workshop project. As at 31 March 2015, £5,280 was still to be spent on this equipment.

Designated reserves comprise the following:

Building refurbishment – In agreement with the Scottish Government the Scottish Recovery Consortium was able to commit to a premises move, with more appropriate office space and the development of the first national Recovery Hub in Scotland. It was agreed that a proportion of the unspent grant (contingency budget) could be designated to this move and any necessary building refurbishments. A transfer of £59,143 was made in the year ended 31 March 2013 to this fund to cover a large proportion of the expected total refurbishment costs.

The building refurbishment was carried out in the prior year and a transfer of £20,565 was made from general reserves to cover the cost of the refurbishment. There was expenditure of £34,070 in the year, being the depreciation of the refurbishment costs capitalised, and the balance in the building refurbishment reserve will be released as depreciation over the remaining life of the fixed assets.

During the year, the building refurbishment expenditure relates to the depreciation of the fixed assets purchased in the year, per note 7. The amount carried forward is kept in order to meet any future expenditure relating to the new premises.

