

Charity registration number SC041181 (Scotland)

Company registration number SC366140 (Scotland)

SCOTTISH RECOVERY CONSORTIUM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

SCOTTISH RECOVERY CONSORTIUM

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	C Tennant I MacFarlane T Semple C Steel P Heaton J McKay L Stewart A Houston T Fox T McFall	(resigned 17/08/2022) (resigned 06/09/2022) (appointed 06/09/2022) (appointed 06/09/2022) (appointed 09/11/2023) (appointed 06/09/2022 and resigned 04/12/2023)
Secretary	F McQueen	
Charity number	SC041181	
Company number	SC366140	
Principal address	2/1, 30 Bell Street Glasgow G1 1LG	
Auditor	Azets Audit Services Chartered Accountants Exchange Place 3 Semple Street Edinburgh EH3 8BL	
Bankers	Royal Bank of Scotland plc 23 Sauchiehall Street Glasgow G2 3AD	
Solicitors	T C Young Solicitors 7 West George Street Glasgow G2 1BA	

SCOTTISH RECOVERY CONSORTIUM

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SCOTTISH RECOVERY CONSORTIUM

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

Objectives and activities

The Scottish Recovery Consortium (SRC) is a recovery-orientated charitable company and an independent nationally funded organisation. Scottish Recovery Consortium supports, represents and connects people in recovery across Scotland. We achieve this by working with recovery in all its forms – from grassroots to government, from individuals to international organisations and we value lived experience throughout. We work nationally across Scotland to develop and provide a variety of offerings including events, training, representation and community development. Scottish Recovery Consortium adopts a rights-based approach and believes in collaborative working.

Our Vision

Thriving visible Recovery in our society where Lived Experience is valued.

Our Purpose

To support the development of people with lived experience of addictive behaviours. To empower them to become active citizens, so that this creates a sustainable society where people with lived experience are viewed and utilised as the assets that they are.

Achievements and performance

Recovery Community Development and Lived Experience Recovery Organisation Development
SRC created the Lived Experience Recovery Organisation (LERO) Development Officer post in Oct 2021. The role was to support the development and sustainability of new and existing recovery communities and Lived Experience Recovery Organisations (LERO) across Scotland and administer the Recovery Seed Fund. In 22/23 SRC supported 50 organisations and groups across Scotland, 47 of these groups were new and needed support developing constitutions, committees and bank accounts. We supported 6 groups to become charities and supported 14 groups to access the Recovery Seed Fund.

SRC continues to support community development empowering individuals to support and provide hope for others in or seeking recovery, delivering training to existing groups to support the development of volunteers, recognising asset based community development, development of community engagement events and the support and development of Medication Recovery & Me which is a peer support group for anyone receiving medication to support their recovery.

Lived Experience Development

SRC has been working with a number of ADP's to develop lived experience engagement at different levels, from networks to lived experience panels.

Recovery Walk Scotland & Connected and Caring Renfrewshire Project

In 2022 SRC worked with Renfrewshire Council, HSCP & ADP to plan a years programme of training and events in Renfrewshire. The theme of the programme was Connected & Caring. The aim of the work was to highlight and deliver, recovery development support, active citizenship and lived experience representation, stigma and discrimination reduction, amplification of compassion and connectedness and wellbeing across Renfrewshire.

SCOTTISH RECOVERY CONSORTIUM

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

SRC delivered a programme of substance free entertainment and art/cultural events, training for staff and volunteers, recovery development for Circle recovery community. Our flagship event, Recovery Walk Scotland saw over 4,000 people in recovery, friends and family all across Scotland celebrate in Paisley town centre.

Recovery and Residential Providers Group

SRC work with the Recovery and Residential Providers Group (RRPG) with the aim to act as a supportive community of practice and to bring collective interest and activities closer to the other areas of treatment and commissioning, and to work with national and local policy makers to ensure this valuable care pathway is accessible to more people in Scotland.

CoRNFO (Continuum of Recovery for Near Fatal Overdose):

SRC has been funded by Scottish Government to co-ordinate a Continuum of Recovery for Near Fatal Overdose Test of Change with partners in South Lanarkshire ADP and the Recovery Residential Providers group. It is designed to offer a fast-track, person centered pathway into residential rehabilitation. The project will run for two years (due to end June 2023) and is designed to offer a fast-track, person centered pathway into residential rehabilitation.

Recovery community development is crucial to this work as a continuation of support and recovery development for people who have accessed.

Prison Recovery Development

Our aim is to create cultural and operational change across the national Scottish Prison Service estate towards recovery from alcohol and drug dependency. We achieve this by building understanding, and the implementation of recovery focused approach delivering our 'Recovery from Within Programme' which benefits prisoners, regime and healthcare management and builds coordinated and connected recovery pathway throughout SPS and Scottish communities. We continue to build relationships with recovery communities, LEROs and key stakeholders in justice and health services.

In 22/23 SRC worked across the 17 prison estates, delivering Recovery Essentials to 55 staff and 413 residents, this courses helps identify what supports recovery journeys, to recognize the current evidence base for recovery and to identify recovery capital. Supporting the development of recovery cafes and developing partnerships to increase recovery support within prisons.

Rights in Recovery Events, LERN and NРАН

Our aim is to make the rights-based approach real in people's lives, as a mechanism for saving and improving lives. All our activities are based on the premise that people who have been affected by addiction have regularly been treated unfairly - often due to stigma and discrimination. Our learning opportunities aim to raise awareness and understanding of the need for individuals and groups to proactively claim their rights. There are three strands to this work:

Introductory workshop delivered to recovery communities
Development of National Recovery Advocacy Network
Rights in Recovery Leadership Programme

Learning and Education

In March 2021 SRC submitted an application to CORRA Foundation for funding towards developing an online learning platform which would allow SRC to vastly increase access to learning across Scotland. Our Learning, Education & Development Officer came into post in May 2021 funded through our Scottish Government Core Grant. The role was to develop recovery focused learning and training that would be accessible and inclusive nationally. The role oversees SRC's existing training and adapts our face-to-face learning for online to widen the reach across Scotland, with the aim to empower people in recovery, those affected by addiction, who deliver services or seek to deliver new services to access the knowledge and understanding in an effective way. It also ensures people with lived experience can upskill to work within the sector. This role also gathers information from the SRC team working in localities with individual's, within SPS establishments and online feedback to continue to develop new and relevant training.

SCOTTISH RECOVERY CONSORTIUM

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

MIST (MAT Implementation Support Team)

The MAT implementation programme is a multidisciplinary initiative hosted by Public Health Scotland (PHS) on behalf of the Scottish Government and includes representation from the PHS Drugs Team and MAT Implementation Support Team (MIST), as well as a range of other partners. The team concentrates on three areas of implementation, process, numerical measures and experiential measures. Three members of the experiential team were recruited and employed by SRC - two of which have lived experience of addiction and services. SRC has been tasked with the responsibility to create and disseminate training and training resources for the experiential data collection process. In addition the SRC staff are working across localities to support local lived experience and ADP's to engage.

Financial Review

The Scottish Recovery Consortium has generated a deficit of £202,312 (2022: surplus £197,770) for the year ended 31 March 2023, and has total funds at 31 March 2023 of £746,077 (2022: £948,389). Within this total, there are restricted funds totalling £370,567 (2022: £629,119), designated funds totalling £62,275 (2022: £65,702) and unrestricted reserves of £313,235 (2022: £253,568). The current reserves policy is to hold enough funds to cover at least 3 months of running costs. The directors are satisfied that the current level of reserves is adequate and the reserves policy is met. Further details regarding these funds are included within notes 12 to 14 to the financial statements.

Plans for future periods

SRC continues to review its current workstream in relation to Scottish Government policy and continues to develop robust evaluation, monitoring and evidence reporting.

SRC looks to amplify its role as a centre of learning for lived experience and workforce development in regard to our purpose and aims within the current national policy and locality service delivery context. Looking towards cost of living challenges and an economic downturn and potential funding shrinkage we plan to monetise some of our support and learning offerings for the first time. This will create an additional funding stream and mitigate risk around core funding and development of staff team and workstreams. We envisage the need for at least one additional Learning, Education Development Officer and an additional Prisons and Health Care Recovery Development Officer given the achievements to date of our existing roles within these workstreams.

Structure, governance and management

A new chair of the board was elected late in 2022 and review is currently underway in relation to board governance and management. The SRC's governing board of directors is elected every year at the Annual General Meeting. Board members are drawn from areas of knowledge, skill and expertise helpful to the work of the organisation. Over half the board members have a personal or family lived experience of recovery from addictions. The board meets quarterly and considers matters of finance and governance as standing items on the agenda.

Risk management

The Board has produced a risk register which outlines all the main threats and risks, this is reviewed twice a year. 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.

Legal Status

The Scottish Recovery Consortium was incorporated in 25 September 2009 as a company limited by guarantee and registered as a charity in 13 January 2010 (Company Number SC366140 and Scottish Charity Number SC041181). The governing document of the charitable company is their Articles of Association.

Guarantee

In the event of winding up the charitable company a member is liable to contribute £1.

SCOTTISH RECOVERY CONSORTIUM

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of directors' responsibilities

The directors, who also act as trustees for the charitable activities of Scottish Recovery Consortium for the purposes of charity law, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the directors are required to:

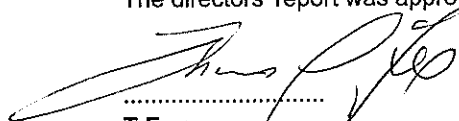
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. 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.

Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The directors' report was approved by the Board of Directors.



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T Fox
Chairperson

Date: 11/12/23
.....

SCOTTISH RECOVERY CONSORTIUM

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF SCOTTISH RECOVERY CONSORTIUM

Opinion

We have audited the financial statements of Scottish Recovery Consortium (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable company 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 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 directors' 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 charitable company'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 directors with respect to going concern are described in the relevant sections of this report.

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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SCOTTISH RECOVERY CONSORTIUM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF SCOTTISH RECOVERY CONSORTIUM

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, set out on page 6, the directors 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 directors 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 directors are responsible for assessing the charitable company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

SCOTTISH RECOVERY CONSORTIUM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF SCOTTISH RECOVERY CONSORTIUM

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of noncompliance. 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.

Use of our report

This report is made solely to the charitable company's directors, 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Hutchison BSc ACA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

14 December 2023

Chartered Accountants
Statutory Auditor

Exchange Place 3
Semple Street
Edinburgh
United Kingdom
EH3 8BL

Azets Audit Services is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SCOTTISH RECOVERY CONSORTIUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds	Designated funds	Restricted funds	Total	Total
	Notes	2023 £	2023 £	2023 £	2023 £	2022 £
Income from:						
Donations and legacies	3	834	-	-	834	77
Charitable activities	4	597,045	-	435,999	1,033,044	1,030,544
Total income		<u>597,879</u>	<u>-</u>	<u>435,999</u>	<u>1,033,878</u>	<u>1,030,621</u>
Expenditure on:						
Charitable activities	5	538,212	3,427	694,551	1,236,190	832,851
Net income/(expenditure) for the year/ Net movement in funds		59,667	(3,427)	(258,552)	(202,312)	197,770
Fund balances at 1 April 2022		253,568	65,702	629,119	948,389	750,619
Fund balances at 31 March 2023		<u>313,235</u>	<u>62,275</u>	<u>370,567</u>	<u>746,077</u>	<u>948,389</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SCOTTISH RECOVERY CONSORTIUM

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds	Designated funds	Restricted funds	Total
	Notes	2022 £	2022 £	2022 £	2022 £
Income from:					
Donations and legacies	3	77	-	-	77
Charitable activities	4	550,500	-	480,044	1,030,544
Total income		550,577	-	480,044	1,030,621
Expenditure on:					
Charitable activities	5	501,722	2,284	328,845	832,851
Net incoming/(outgoing) resources before transfers		48,855	(2,284)	151,199	197,770
Gross transfers between funds		(44,000)	44,000	-	-
Net income/(expenditure) for the year/ Net movement in funds		4,855	41,716	151,199	197,770
Fund balances at 1 April 2021		248,713	23,986	477,920	750,619
Fund balances at 31 March 2022		253,568	65,702	629,119	948,389

SCOTTISH RECOVERY CONSORTIUM

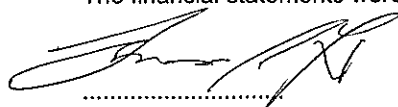
BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	9		36,917		47,183
Current assets					
Debtors	10	96,860		191,581	
Cash at bank and in hand		763,414		877,165	
		<u>860,274</u>		<u>1,068,746</u>	
Creditors: amounts falling due within one year	11	<u>(151,114)</u>		<u>(167,540)</u>	
Net current assets			<u>709,160</u>		<u>901,206</u>
Total assets less current liabilities			<u><u>746,077</u></u>		<u><u>948,389</u></u>
Income funds					
Restricted funds	12		370,567		629,119
<u>Unrestricted funds</u>					
Designated funds	14	62,275		65,702	
General unrestricted funds	13	<u>313,235</u>		<u>253,568</u>	
			<u>375,510</u>		<u>319,270</u>
			<u><u>746,077</u></u>		<u><u>948,389</u></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 11/12/23 and signed on their behalf by:



T Fox
Chairperson

Company registration number SC366140

SCOTTISH RECOVERY CONSORTIUM

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(111,939)		272,889
Investing activities					
Purchase of tangible fixed assets		(1,812)		(46,227)	
Net cash used in investing activities			(1,812)		(46,227)
Net (decrease)/increase in cash and cash equivalents			(113,751)		226,662
Cash and cash equivalents at beginning of year			877,165		650,503
Cash and cash equivalents at end of year			763,414		877,165

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Scottish Recovery Consortium is a private company limited by guarantee incorporated in Scotland. The registered office is 7 West George Street, Glasgow, G2 1BA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. This assessment gives consideration to the current inflationary pressures impacting costs on the charitable company. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds comprise grants and donations received for the objects of the charitable 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.

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.

1.4 Income

Grants and donations are recognised when the charitable company is entitled to the income, receipt is probable and the amount can be measured reliably. Where there are terms or performance related conditions attached, income is recognised to the extent that the conditions have been met. Income received in advance of conditions being met are deferred and released once those conditions are met. Where the grant or donation allows for the recovery by the donor of any unexpended grant, a liability is recognised when repayment becomes probable.

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Charitable activities

Comprises those costs incurred by the charitable company in the delivery of its charitable activities and services.

Allocation of support costs

Support costs are those functions that assist the work of the charitable company but do not directly undertake charitable activities. Support costs include office running costs, payroll and governance costs. These costs are allocated to expenditure on charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the life of the lease
Fixtures and fittings	3 and 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Value Added Tax

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

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Directors are of the opinion that there are no critical accounting estimates at the year end.

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	834	77

4 Charitable activities

	Total 2023	Total 2022
	£	£
Grants	1,032,689	1,030,044
Other income	355	500
	<u>1,033,044</u>	<u>1,030,544</u>

Analysis by fund		
Unrestricted funds	597,045	550,500
Restricted funds - general	435,999	480,044
	<u>1,033,044</u>	<u>1,030,544</u>

Grants

Scottish Government - core grant income	580,000	550,000
Mist Q	165,000	82,500
National Recovery Advocacy Network	1,690	57,500
Lived Experience Salary Fund	50,000	50,000
Online Training Platform - CORRA Foundation	-	48,000
NHS Glasgow ADP	-	48,000
NHS SEDO	-	35,000
SVCO		15,000
Continuum of Recovery from Near Fatal Overdoses	66,999	144,044
Recovery from Within	30,000	-
Recovery Walk	139,000	-
	<u>1,032,689</u>	<u>1,030,044</u>

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Charitable activities

	Total 2023 £	Total 2022 £
Depreciation and impairment	12,078	10,102
Telephone	7,230	3,930
Stationery, printer & copier	9,426	6,403
Technical support & maintenance	12,858	11,492
Miscellaneous	7,976	9,967
Recovery Walk	65,023	51,470
National Recovery Advocacy Network	-	37,000
Continuum of Recovery for Near Fatal Overdose	188,522	90,537
NHS Grant Funding	44,221	34,593
Visible Recovery Communities Grant	48,750	5,000
Recovery from Within	2,677	615
Online Training Platform	11,994	17,574
Mist Q	-	338
Events and other costs	29,177	-
	<u>439,932</u>	<u>279,021</u>
Share of support costs (see note 6)	775,648	537,330
Share of governance costs (see note 6)	20,610	16,500
	<u>1,236,190</u>	<u>832,851</u>
Analysis by fund		
Unrestricted funds	538,212	501,722
Restricted funds - Designated	3,427	2,284
Restricted funds - general	694,551	328,845
	<u>1,236,190</u>	<u>832,851</u>

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Office operating costs and staff travel	58,610	-	58,610	77,446	77,446
Salaries, wages and related costs	717,038	-	717,038	459,884	459,884
Accountancy fees	-	4,890	4,890	-	3,300
Audit fee	-	15,720	15,720	-	13,200
	<u>775,648</u>	<u>20,610</u>	<u>796,258</u>	<u>537,330</u>	<u>553,830</u>

7 Directors

None of the directors (or any persons connected with them) received any remuneration, benefits or expenses from the charitable company during the current or prior year.

8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	15	12
	<u>15</u>	<u>12</u>

Employment costs

	2023 £	2022 £
Wages and salaries	603,256	391,450
Social security costs	61,541	35,934
Pension costs	52,241	32,500
	<u>717,038</u>	<u>459,884</u>

The directors consider its key management personnel to comprise of the directors and the chief executive. The total employment benefits including employer pension contributions of the key management personnel were £74,427 (2022 - £70,297).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£70,001 to £80,000	1	-
	<u>1</u>	<u>-</u>

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Tangible fixed assets	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	90,127	55,015	145,142
Additions	-	1,812	1,812
At 31 March 2023	<u>90,127</u>	<u>56,827</u>	<u>146,954</u>
Depreciation and impairment			
At 1 April 2022	57,556	40,403	97,959
Depreciation charged in the year	5,142	6,936	12,078
At 31 March 2023	<u>62,698</u>	<u>47,339</u>	<u>110,037</u>
Carrying amount			
At 31 March 2023	<u>27,429</u>	<u>9,488</u>	<u>36,917</u>
At 31 March 2022	<u>32,571</u>	<u>14,612</u>	<u>47,183</u>
10 Debtors		2023	2022
Amounts falling due within one year:		£	£
Trade debtors		60,000	-
Prepayments and accrued income		36,860	191,581
		<u>96,860</u>	<u>191,581</u>
11 Creditors: amounts falling due within one year		2023	2022
		£	£
Other taxation and social security		13,883	14,529
Trade creditors		10,793	36,791
Other creditors		6,770	5,640
Accruals		119,668	110,580
		<u>151,114</u>	<u>167,540</u>

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Income £	Expenditure £	
Recovery Walk	1,623	-	(1,623)	-
Methadone Memoirs	2,430	-	-	2,430
ORT Recovery & Me	456	-	-	456
University of Life	771	-	-	771
Community Development	410	-	-	410
Café Lead Host	737	-	-	737
Recovery Initiative	3,000	-	-	3,000
Rights in Recovery	16,322	-	-	16,322
National Recovery Advocay Network	29,867	-	-	29,867
Lived Experience Representative Network	44,190	-	-	44,190
Continuum of Recovery for Near Fatal Overdose	195,650	-	(173,525)	22,125
SVCO	15,000	-	(15,000)	-
NHS SEDO	54,292	66,999	(92,125)	29,166
Visible Recovery Community	95,000	-	(48,750)	46,250
Humanising Healthcare	-	15,000	(463)	14,537
Online Training Platform	30,426	-	(11,994)	18,432
Mist Q	36,592	165,000	(199,592)	2,000
Recovery from Within	69,385	-	(2,677)	66,708
Lived Experience Salary Fund	32,968	50,000	(32,968)	50,000
Connected and Caring	-	139,000	(115,834)	23,166
	<u>629,119</u>	<u>435,999</u>	<u>(694,551)</u>	<u>370,567</u>

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Restricted funds

(Continued)

	Movement in funds			Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Income £	Expenditure £	
Recovery Walk	53,093	-	(51,470)	1,623
Methadone Memoirs	2,430	-	-	2,430
ORT Recovery & Me	456	-	-	456
University of Life	771	-	-	771
Community Development	410	-	-	410
Café Lead Host	737	-	-	737
Recovery Initiative	3,000	-	-	3,000
Rights in Recovery	16,322	-	-	16,322
National Recovery Advocay Network	9,367	57,500	(37,000)	29,867
Lived Experience Representative Network	44,190	-	-	44,190
Continuum of Recovery for Near Fatal Overdose	142,144	144,044	(90,538)	195,650
SVCO	-	15,000	-	15,000
NHS SEDO	35,000	83,000	(63,708)	54,292
Visible Recovery Community	100,000	-	(5,000)	95,000
Online Training Platform	-	48,000	(17,574)	30,426
Mist Q	-	82,500	(45,908)	36,592
Recovery from Within	70,000	-	(615)	69,385
Lived Experience Salary Fund	-	50,000	(17,032)	32,968
	<u>477,920</u>	<u>480,044</u>	<u>(328,845)</u>	<u>629,119</u>

Restricted reserves comprise the following:

Recovery Walk – This is an event held annually by the charity with funding received from various bodies. The event reaches out to the recovery community by the large-scale presence of people visibly in recovery.

Methadone Memoirs – funds received from Corra Foundation (formerly Lloyds TSB Foundation) towards the launch of an event in 2017/18 and to print more copies of the booklet 'Methadone Memoirs.'

ORT Recovery & Me – funds received from Corra Foundation (formerly Lloyds TSB Foundation) towards the travel costs for representatives to attend monthly network meetings and to purchase the ORT wristbands that are given out to newcomers at the 14 local meetings.

University of Life – funds received from Corra Foundation (formerly Lloyds TSB Foundation) towards the hostel and fuel costs for the team delivering the 500 miles recovery walk event in 2017/18.

Community Development – funds received from Corra Foundation (formerly Lloyds TSB Foundation) towards the fund and was used to pay for the RAT PARK Festival event, hall hire, food and event bags.

Café Lead Host – funds received from Corra Foundation (formerly Lloyds TSB Foundation) towards bespoke aprons and to run training for Café Host and to build a network of lead hosts who can train and support new café hosts.

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Restricted funds

(Continued)

Recovery Initiative – funds received from Corra Foundation (formerly Lloyds TSB Foundation) towards the work of the Recovery Walk Scotland standing council. It was used to purchase design work for fundraising leaflets and to pay for hire of rooms for monthly meetings, and travel expenses for members where other means are not available.

Rights in Recovery – funds received from the Scottish Government towards the organisation and administration of three national events that explore taking a human rights-based, public health approach to people with alcohol and drug issues.

National Recovery Advocacy Network – funds received from the Scottish Government towards recruitment, initial scoping and development with local stakeholders to grow the work capacity of Scottish Recovery Consortium.

Lived Experience Representative Network – funds received from The National Lottery Community Fund to develop a network of Lived Experience Representatives across Scotland in order to respond to aims outlined in Rights, Respect and Recovery to make the voices of people with lived and living experience central to our work to develop, design and deliver recovery services and interventions.

Continuum of Recovery for Near Fatal Overdose – funds received from Corra Foundation toward the Continuum of Recovery for Near-Fatal Overdose (CoRNFO) project, which aims to bring locality treatment and support closer to rehabilitation services for the benefit of individuals at risk of drug related death.

Staying Connected Scotland – funds received from the Scottish Government towards helping recovery communities and people in recovery to stay connected during the COVID-19 outbreak when access to the usual means of support is limited.

NHS SEDO – funds received from the NHS toward promoting and delivering a diverse calendar of alcohol and drug free events and occasions across Glasgow. The work will promote city-wide and national understanding of national/local outcomes and build city-wide and extra-locality relationships amongst participants.

Visible Recovery Community (VRC) – funds received from the Scottish Government toward establishing a Grant scheme which allows bids up to £5,000 each to support the development of recovery community organisations/specific projects within existing VRCs to be designed, planned and implemented wholly by VRCs.

Online Training Platform – Funding from Corra to create an online learning platform which would enable us to put our training portfolio online and vastly increase access to learning. The key outcome is that people with Lived Experience will have the knowledge and skills to deliver community-based activity in a safe, effective and innovative way. It will also enable individuals to build up a portfolio of skills that can be used to gain employment and/or to undertake further formal study as a path to further development.

Mist Q - The aim of this project is to contribute to the MAT Implementation Support Team (MIST) Programme 3: Evidence of Implementation (experiential) through the development of capacity in local Alcohol and Drug Partnerships to gather and analyse experiential data to support quality improvement and implementation of the MAT standards.

Recovery from Within – The building of 5 internal prison Recovery Communities which are connected to internal service provision but also connected to external Lived Experience expertise from local community-based Lived Experience Recovery Organisations and to collaborate with prisoners in recovery to ensure the development of lived experience recovery opportunities being extended to as many prisoners as possible. SRC Prison Healthcare Recovery Officer will focus on 3-5 specific establishments to provide focused and significant capacity to recovery development whilst maintaining general support to all establishments on an ad hoc and planned basis through SPS National Recovery Network activities. In addition to these measures, we will commit to delivering at least one session of Recovery Awareness Training to every cohort of new recruits to SPS staff during their basic training.

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Restricted funds

(Continued)

Lived Experience Salary Fund - The employment of a Lived Experience Recovery Organisations officer over a 5-year period who will support and develop Lived Experience Recovery Organisations.

Humanising Healthcare Forum - A platform run by medical students at the University of Glasgow for innovative humanistic projects in medical education and healthcare. The project aims to bridge the gap between medical school and the community.

Connect and Caring - Following approval by Renfrewshire Council Leadership Board for the support of the Connected and Caring Renfrewshire project and in particular the Recovery Walk held in Paisley.

13 Unrestricted funds - general

These are unrestricted funds which are material to the charitable company's activities made up as follows:

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	
General reserve	253,568	597,879	(538,212)	-	313,235

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	
General reserve	248,713	550,577	(501,722)	(44,000)	253,568

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021	Movement in funds	Transfers	Balance at 1 April 2022	Movement in funds 31	Balance at March 2023
	£	£	£	£	£	£
Building refurbishment	23,986	(2,284)	-	21,702	(3,427)	18,275
Cost of Living and Staff Retention	-	-	44,000	44,000	-	44,000
	<u>23,986</u>	<u>(2,284)</u>	<u>44,000</u>	<u>65,702</u>	<u>(3,427)</u>	<u>62,275</u>

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. The amount carried forward is retained in order to meet any future expenditure relating to the new premises.

Cost of Living and Staff Retention - the Cost of Living and Staff Retention fund has been created by the board to recognise the cost-of-living in an attempt to reduce the risk of staff leaving and to support staff during this difficult time.

15 Analysis of net assets between funds

	Unrestricted funds 2023	Designated funds 2023	Restricted funds 2023	Total 2023
	£	£	£	£
Fund balances at 31 March 2023 are represented by:				
Tangible assets	18,642	18,275	-	36,917
Current assets/(liabilities)	294,593	44,000	370,567	709,160
	<u>313,235</u>	<u>62,275</u>	<u>370,567</u>	<u>746,077</u>
	Unrestricted funds 2022	Designated funds 2022	Restricted funds 2022	Total 2022
	£	£	£	£
Fund balances at 31 March 2022 were represented by:				
Tangible assets	25,481	21,702	-	47,183
Current assets/(liabilities)	228,087	44,000	629,119	901,206
	<u>253,568</u>	<u>65,702</u>	<u>629,119</u>	<u>948,389</u>

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Operating lease commitments

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

	2023 £	2022 £
Within one year	24,436	24,436
Between two and five years	5,795	10,431
	<u>30,231</u>	<u>34,867</u>

17 Related party transactions

During the prior year, a director resigned from the board to become an employee of Scottish Recovery Consortium (2023 - none).

18 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(202,312)	197,770
Adjustments for:		
Depreciation and impairment of tangible fixed assets	12,078	10,102
Movements in working capital:		
Decrease/(increase) in debtors	94,721	(55,477)
(Decrease)/increase in creditors	(16,426)	120,494
Cash (absorbed by)/generated from operations	<u>(111,939)</u>	<u>272,889</u>