

**SCOTTISH RECOVERY CONSORTIUM**  
(trading name of SCOTTISH DRUGS  
RECOVERY CONSORTIUM)

**Annual Report and Unaudited Financial Statements**

**For the year ended 31 March 2013**

**Registered Charity Number: SCO41181**  
**Registered Number: SC366140**

# SCOTTISH RECOVERY CONSORTIUM

## Annual Report and Unaudited Financial Statements For the year ended 31 March 2013

<b>Contents</b>	<b>Page</b>
Company Information	1
Directors' Report	2
Statement of the Directors' Responsibilities	6
Independent Examiner's Report	7
Statement of Financial Activities and Income & Expenditure Account	8
Balance Sheet	9
Notes to the Financial Statements	10

## **SCOTTISH RECOVERY CONSORTIUM**

### **Annual Report and Unaudited Financial Statements For the year ended 31 March 2013**

#### **Company Information**

##### **Directors**

E Wilson (Chair)  
J G Campbell (Vice Chair)  
D Casci  
M R Cawley  
C Chamberlain (Co-opted)  
J Goldie  
D Graham  
G Liddell  
G Reekie (Co-opted)

##### **Secretary**

D Kuladharini

##### **Solicitors**

T C Young  
Solicitors  
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 2013**

The Board of directors, as detailed on page 1, present their report together with the financial statements for the year ended 31 March 2013.

#### **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 234 West George Street, Glasgow. The trading name changed on 10 April 2012 from Scottish Drugs Recovery Consortium to Scottish Recovery Consortium, and it was agreed on 3 October 2013 that this name change should take legal effect.

The company was governed during the year by its Memorandum and Articles of Association, as adopted on 25 September 2009. Revised Articles of Association, incorporating new objects, were approved on 3 October 2013.

#### **Review of performance for the year**

The Scottish Recovery Consortium has recorded a deficit of £75,160 (2012: £12,789) for the year ended 31 March 2013, and has total funds at 31 March 2013 of £71,137 (2012: £146,297).

Within this total, there are designated funds totalling £71,137 (2012: £76,297). Further details regarding the designated funds are included within note 12 to the financial statements.

#### **Future plans**

The Board are committed to the strategic vision that recovery is possible. It is about the connection with the lived experience of recovery that can support the progression of recovery across Scotland and beyond. To support this ethos and strategy the Board have committed to investing into a new national recovery resource centre, which will allow for shared learning both face to face and through the virtual community. Alongside this the Board will look at how the involvement of the lived experience of recovery is more meaningful to the ongoing work and future direction of the Scottish Recovery Consortium.

#### **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.

#### **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, and Board members may serve for up to 3 years, after which serving Board members will be eligible for re-election. There can be up to two Board members for each membership category and the Board may co-opt other people to serve as directors, up to a maximum allowable of 12. Membership categories of the Board comprise service providers, training agencies and academics, persons in recovery, friends of recovery and commissioners, purchasers and funders.

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

## **SCOTTISH RECOVERY CONSORTIUM**

### **Report of the Directors For the year ended 31 March 2013**

#### **Directors**

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

E Wilson (Chair)	
J G Campbell (Vice Chair)	
S Bradstreet (Vice Chair)	Resigned 5 November 2012
J J Arthur	Resigned 5 November 2012
G Brady	Resigned 16 June 2013
D Casci	Appointed 5 November 2012
M R Cawley	
C Chamberlain (Co-opted)	Appointed 21 October 2013
K G Fowler	Resigned 5 November 2012
J Goldie	Appointed 5 November 2012
D Graham	Appointed 5 November 2012
R J Hall	Resigned 5 November 2012
G Liddell	Appointed 5 November 2012
G Reekie (Co-opted)	Appointed 21 October 2013

#### **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.

An annual review and development process is scheduled for all Board members to consult as a group on ways to ensure that the Board operates effectively.

#### **Aims and principal activities**

The company's principal activity is to drive and promote recovery for individuals, family members and communities affected by drugs across Scotland.

The company's aims are:-

- To promote the principles of recovery and develop the language and strategic vision for the recovery agenda in Scotland.
- To improve the knowledge and understanding of recovery and recovery focussed practice across Scotland.
- To work to reduce stigma and discrimination often associated with drug use by promoting a positive vision of recovery.
- To gather and disseminate information and evidence to support the effective implementation of recovery across Scotland.
- To inspire the hope and belief that recovery is possible.

## **SCOTTISH RECOVERY CONSORTIUM**

### **Report of the Directors For the year ended 31 March 2013**

#### **Reserves policy**

The Scottish Recovery Consortium currently receives its primary income from a Scottish Government grant paid quarterly 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 grant period discussions are held with the funder to identify specific projects which 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.

#### **Achievements**

Building effectively from conversations held in 2011/12 we have focused on a direct action based work plan that promotes and enables the momentum of recovery developments and opportunities for individuals, practitioners and communities in Scotland, which included:

- Three intensive recovery campaigns in the West of Scotland, Perth & Kinross and Angus. On top of this we provided support and assistance to other Alcohol and Drug Partnerships across Scotland including Edinburgh, East Dunbartonshire and Fife.
- The establishment of Recovery Colleges to build the capacity of individuals in post treatment recovery to create new opportunities for recovery in the community. In 2012 a total of 56 students enrolled from Glasgow, Ayrshire, East Renfrewshire, Perth, Fife and Dundee.
- In partnership with STRADA (Scottish Training on Drugs and Alcohol), designed and delivered a three-day workshop programme that enabled treatment staff to apply recovery principles, research and practice to their work. A total of 318 people attended the workshops with a 190 recovery commitments pledged by attendees.
- Supported local and national groups to connect with the lived experience through 'conversation cafe hosting' as a community engagement tool.
- Increased opportunities for recovery activities to get actively involved both at local and national levels through providing shared learning events.
- Hosted the Recovery Summit, which was attended by 105 people and looked to take on board the conversations with practitioners and individuals to shape a national event that meets their needs. As a result of dialogue from this summit, we went on to host a national shared learning event on Residential Rehabilitation which was attended by 118 participants.
- In partnership with Lloyds TSB Foundation for Scotland launched the Recovery Initiative Fund, which through funding from the Scottish Government of £100,000 has enabled individuals and small recovery groups access funding and resources to support recovery development at a local level.
- We created a communication strategy that would support the recovery messages that are delivered through all areas of our work. This included "An invitation to talk about recovery" and 1000 copies of this pack were distributed across the country. Each pack contained three booklets as well as a recovery stories DVD and worksheets for completion in a team or group setting. This resource was given to individuals who took part in a recovery college, workforce development workshop, conversation café hosting or other key events where individuals were grappling with the work of building recovery in Scotland. It was created to give a deeper awareness and understanding of recovery, the research that supports it and current practice in Scotland.

## **SCOTTISH RECOVERY CONSORTIUM**

### **Report of the Directors For the year ended 31 March 2013**

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

- The 'Recovery Treatment and You' DVD was made to support the work of the recovery matters workshop and it gave the lived experience of one treatment system trying to work in a recovery orientated way in Scotland.

#### **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 4 December 2013

**E Wilson  
Director**

## **SCOTTISH RECOVERY CONSORTIUM**

### **Statement of Directors' Responsibilities For the year ended 31 March 2013**

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.



## **SCOTTISH RECOVERY CONSORTIUM**

### **Independent Examiner's Report to the Directors of Scottish Recovery Consortium For the year ended 31 March 2013**

I report on the financial statements of the charity for the year ended 31 March 2013, 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  
FCCA**

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

Dated: 4 December 2013

## SCOTTISH RECOVERY CONSORTIUM

### Statement of Financial Activities and Income & Expenditure Account For the year ended 31 March 2013

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Incoming resources</b>						
Incoming resources from charitable activities	2	262,745	-	13,757	276,502	280,000
Total incoming resources		262,745	-	13,757	276,502	280,000
<b>Resources expended</b>						
Charitable activities	3	266,793	66,871	16,360	350,024	291,199
Governance costs	4	1,638	-	-	1,638	1,590
Total resources expended		268,431	66,871	16,360	351,662	292,789
<b>Net outgoing resources before transfers</b>						
	6	(5,686)	(66,871)	(2,603)	(75,160)	(12,789)
Transfers		(64,314)	61,711	2,603	-	-
<b>Net outgoing resources</b>		(70,000)	(5,160)	-	(75,160)	(12,789)
Total funds brought forward		70,000	76,297	-	146,297	159,086
Total funds carried forward	10	-	71,137	-	71,137	146,297

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 10 to 14 form part of these financial statements

## SCOTTISH RECOVERY CONSORTIUM

### Balance Sheet As at 31 March 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	7	3,213	7,983
<b>Current assets</b>			
Debtors	8	11,427	40,593
Cash at bank		60,474	100,764
		<u>71,901</u>	<u>141,357</u>
<b>Current liabilities</b>			
Creditors: due in less than one year	9	3,977	3,043
		<u>67,924</u>	<u>138,314</u>
<b>Net assets</b>		<u>71,137</u>	<u>146,297</u>
<b>Funds</b>			
Restricted funds	12	-	-
Designated funds	12	71,137	76,297
Unrestricted funds	12	-	70,000
	12	<u>71,137</u>	<u>146,297</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 2013, 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 4 December 2013 and signed on their behalf by:

**E Wilson**  
Director

Registered company number: SC366140

The notes on pages 10 to 14 form part of these financial statements

## SCOTTISH RECOVERY CONSORTIUM

### Notes to the Financial Statements For the year ended 31 March 2013

#### 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:

Fixtures, fittings and equipment – 20-33.3% straight line basis

A full year's depreciation is charged on fixed asset additions in the year.

##### *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 2013 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.

## SCOTTISH RECOVERY CONSORTIUM

### Notes to the Financial Statements For the year ended 31 March 2013

#### 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.

<b>2. Incoming resources from charitable activities</b>	<b>2013 £</b>	<b>2012 £</b>
Grant income – Scottish Government	262,745	280,000
Partnership Finance	11,981	-
Recovery Initiative Fund	1,776	-
	<u>276,502</u>	<u>280,000</u>
<b>3. Charitable activities</b>		
Staff costs	163,960	163,497
Depreciation	3,317	5,399
Other operating costs	182,747	122,303
	<u>350,024</u>	<u>291,199</u>
<b>4. Governance costs</b>		
Independent examination fee	<u>1,638</u>	<u>1,590</u>
<b>5. Staff costs</b>		
Wages and salaries	140,413	138,593
Social security costs	14,321	13,075
Pension costs	9,226	11,829
	<u>163,960</u>	<u>163,497</u>

None of the directors received remuneration from the company in the year (2012: nil), and no employees received remuneration in excess of £60,000 in the year (2012: nil).

One director was reimbursed a total of £100 in respect of expenses incurred in the year (2012: four directors were reimbursed a total of £374 in respect of expenses incurred).

## SCOTTISH RECOVERY CONSORTIUM

### Notes to the Financial Statements For the year ended 31 March 2013

<b>6. Net outgoing resources</b>	<b>2013</b>	<b>2012</b>	
	£	£	
Net outgoing resources is stated after charging:			
Operating leases – land and buildings	16,667	17,500	
	<u>          </u>	<u>          </u>	
<b>7. Tangible fixed assets</b>			<b>Fixtures, fittings and equipment</b>
			<b>£</b>
<b>Cost:</b>			
At 1 April 2012			18,787
Additions			600
Disposals			(5,231)
			<u>          </u>
At 31 March 2013			14,156
			<u>          </u>
<b>Depreciation:</b>			
At 1 April 2012			10,804
Charge for the year			3,317
Released on disposal			(3,178)
			<u>          </u>
At 31 March 2013			10,943
			<u>          </u>
<b>Net book value:</b>			
At 31 March 2013			3,213
			<u>          </u>
At 31 March 2012			7,983
			<u>          </u>
<b>8. Debtors</b>	<b>2013</b>	<b>2012</b>	
	£	£	
Other debtors	4,194	38,608	
Prepayments	7,233	1,985	
	<u>          </u>	<u>          </u>	
	11,427	40,593	
	<u>          </u>	<u>          </u>	
<b>9. Creditors: due in less than one year</b>			
Accruals	3,138	1,590	
Other creditors	839	1,453	
	<u>          </u>	<u>          </u>	
	3,977	3,043	
	<u>          </u>	<u>          </u>	
<b>10. Analysis of net assets between funds</b>	<b>Tangible fixed assets</b>	<b>Other net assets</b>	<b>Total 2013</b>
	£	£	£
Designated funds	3,213	67,924	71,137
	<u>          </u>	<u>          </u>	<u>          </u>

## SCOTTISH RECOVERY CONSORTIUM

### Notes to the Financial Statements For the year ended 31 March 2013

#### 11. Operating lease commitments

At 31 March 2013 the company had annual commitments (excluding VAT) under non-cancellable operating leases as follows:

	2013 Land & buildings £	2012 Land & buildings £
Leases ending within one year	3,333	-
Leases ending in between two and five years	-	17,500
	<u>3,333</u>	<u>17,500</u>

#### 12. Funds

	At 1 April 2012 £	Incoming resources £	Resources expended £	Transfer between funds £	At 31 March 2013 £
<b>Restricted reserves:</b>					
Partnership Finance Recovery Initiative Fund	-	11,981	(14,584)	2,603	-
	-	1,776	(1,776)	-	-
Total restricted	<u>-</u>	<u>13,757</u>	<u>(16,360)</u>	<u>2,603</u>	<u>-</u>
<b>Designated reserves:</b>					
Networking post	54,805	-	(13,218)	(41,587)	-
National event	21,492	-	(53,653)	32,161	-
Better than Well Event	-	-	-	5,345	5,345
Recovery Walk Event	-	-	-	6,649	6,649
Building refurbishment	-	-	-	59,143	59,143
Total designated	<u>76,297</u>	<u>-</u>	<u>(66,871)</u>	<u>61,711</u>	<u>71,137</u>
General reserve	70,000	262,745	(268,431)	(64,314)	-
	<u>146,297</u>	<u>276,502</u>	<u>(351,662)</u>	<u>-</u>	<u>71,137</u>

Restricted reserves comprise the following:

Partnership Finance – This was monies paid by the Scottish Recovery Consortium to Wired-In, to deliver specific pieces of work relating to recovery assets. Wired-In as an organisation has now ceased operating and the remaining monies unspent were returned to the Scottish Recovery Consortium. A transfer of £2,603 has been made into this fund from general reserves to cover the shortfall on incoming resources.

## SCOTTISH RECOVERY CONSORTIUM

### Notes to the Financial Statements For the year ended 31 March 2013

#### 12. Funds (cont'd)

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.

Designated reserves comprise the following:

Networking post - funds to be used in meeting the salary cost of a networking employee. Following a staff restructuring, this role ended in August 2012 and remaining funds of £41,587 were transferred to the general reserve.

National event – this took place in the year ended 31 March 2013, with expenditure on the event totalling £53,653. A transfer of £32,161 was made from general reserves to cover the shortfall on incoming resources within this fund.

Better than Well Event – This was a commitment made in 2012 which due to timing was unable to take place. Agreement was reached with the funders that monies could be carried forward to ensure the event was delivered. A transfer of £5,345 has been made to this fund from general reserves to cover the cost of the event.

Recovery Walk Event – This was a commitment made in the year ending 2012, but due to the required planning did not take place during the year. Agreement was made with the Scottish Recovery Consortium's funders that the monies could be carried forward to ensure the event was delivered. A transfer of £6,649 has been made to this fund from general reserves to cover the cost of the event.

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 has been made to this fund to cover a large proportion of the expected total refurbishment costs.