

SCOTTISH RECOVERY CONSORTIUM

**REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

***CHARITY NUMBER: SC041181
COMPANY NUMBER: SC366140***

SCOTTISH RECOVERY CONSORTIUM

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors

M Bitel	Chair	
M Martin	Vice Chair	
P Allan		(appointed 5 December 2017)
B Budge		(resigned 5 December 2017)
C Chamberlain		(resigned 5 December 2017)
E Doherty		(resigned 14 May 2018)
D Easson		
D Ferguson		(appointed 5 December 2017)
J Goldie		(resigned 6 June 2017)
W Gault		(appointed 5 December 2017)
D Greenwell		
S McEwan		(resigned 5 December 2017)
L Mehigan		
F Murfet		(appointed 5 December 2017)
J Simpson		(appointed 5 December 2017; resigned 4 September 2018)
N Smith		(resigned 5 September 2017)

Secretary

D Kuladharini	Chief Executive	(resigned 5 October 2018)
J Simpson		(appointed 5 October 2018)

Principal office

2/1, 30 Bell Street
Glasgow
G1 1LG

Registered office

7 West George Street
Glasgow
G2 1BA

Solicitors

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

Bankers

Royal Bank of Scotland plc
23 Sauchiehall Street
Glasgow
G2 3AD

Independent examiner

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

Scottish Charity Number: SC041181

Company Registration Number: SC366140

SCOTTISH RECOVERY CONSORTIUM

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SCOTTISH RECOVERY CONSORTIUM

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2018

The Board of directors present their report together with the financial statements for the year ended 31 March 2018.

Our Mission

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

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.

The outcomes we want to achieve:

- We made recovery from addiction more contagious, achievable and sustainable for individuals who seek it.
- We developed the reach and depth of the recovery movement's responses to addiction and sustaining recovery from addiction.
- We connected and engaged with the whole population to co-create communities and a country where it is the recovery and not the addiction that flourishes.
- We created a recovery orientated charity that supports the work of building recovery from addiction in Scotland.

Achievements and performance 2017-18

Recovery Walk Scotland 2017 in Dundee

12 out of 15 of Scotland's prisons taking part by hosting a recovery walk within their walls the day before the national walk, 500 Miles recovery walk fundraising and recovery awareness project, 7 cities warm up events, local host group and civic reception in Dundee City. More than 2,000 people took part in Recovery Walk Scotland on 30th September 2017 in Dundee. 35k Funds raised.

Recovery Colleges Leadership Programme

27 recovery activists trained and qualified to lead the SRC Recovery College Model thus decentralising and expanding the delivery mechanism for this very successful recovery community capacity building course.

Prison Recovery Network

A new national network set up by SRC and SPS for prison recovery champions to meet and learn from each other and from recovery activists and organisations outside of prisons.

Partnership For Action On Drugs and Alcohol In Scotland

Full time staff and Board member support for PADS Communities Sub Group on the design and delivery of Recovering Connections: Changing stigma to respect event. 350 people attended and launched our work around challenging stigma. An event report was published and a new campaign exhibition and film is to be created.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

Staffing role refresh completed

The Scottish Government agreed to fund an additional 1.5 posts within the SRC in support of the PADS work and Lived experience contributions to policy and strategy formation. The two existing SRC staff members took up those roles in January 2018. The SRC then refreshed all its existing roles and created a much needed full time social media officer and national community development officer. This completes the SRC five-year refresh that included the creation of new outcomes for our work and new staff roles to achieve them.

Financial review

The Scottish Recovery Consortium has generated a surplus of £58,951 (2017: £12,149) for the year ended 31 March 2018, and has total funds at 31 March 2018 of £ 131,823 (2017: £72,872). Within this total, there are restricted funds totalling £15,786 (2017: £11,413) and designated funds totalling £23,986 (2017: £23,986). Further details regarding these funds are included within note 17 to the financial statements.

The SRC's budget is tabled and expenditure is reviewed at each quarterly board meeting. The SRC is still accruing small reserves and our goal is to hold 3 months running costs as a reserve. Once the budget is set and the funds secured to meet it - financial decisions are devolved to the SRC's chief executive as long as decisions are made within the agreed overall budget total. The board's executive meets in between board meetings and has oversight on the organisation's finances also.

The SRC's relationship with its primary funder has grown from strength to strength. This year they invested in 1.5 new posts within the organisation. This is the first uplift in investment in 7 years. This meant we have fully met our development and expansion plans for the coming year. Recovery Walk Scotland fundraising was more successful than ever and fully met the costs of the expanding yearlong programme of events including the big day itself. The organisation has managed to secure some reserves from its management costs and donations; we are one third of the way towards our aim of a prudent reserve of 3 months running costs.

Future Plans

As outlined last year, the SRC was successful in securing additional funding from our primary funder Scottish Government to employ 2 new staff members taking our staff team from 4 to 6. Recruitment for these 2 new posts is currently underway and the successful candidates will begin in the new financial year (April 2018). The staff team will now consist of the following:

Chief Executive
Executive Officer
Social Media Officer
Recovery Community Development Officer
Lived Experience Development Officer
Recovery Movement Development Officer

The SRC's budget is tabled and expenditure is reviewed at each quarterly board meeting. The SRC is still accruing small reserves and our goal is to hold 3 months running costs as a reserve. Once the budget is set and the funds secured to meet it - financial decisions are devolved to the SRC's Chief Executive as long as decisions are made within the agreed overall budget total.

SCOTTISH RECOVERY CONSORTIUM

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2018

Management, decision making and governance

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.

Appointments

All members of the SRC are eligible to stand for election 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 is 12. A person is not eligible for election to the board unless she/he 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 appointment at which point they shall retire, but shall be eligible for re-election subject to a maximum total period as a director of 6 years.

Members of the company can self-nominate or nominate another member for election to the board. Board members receive a member's information file when they are elected giving them background on the work of the SRC, along with policies and procedures and best practice code of governance. This file includes a directory of board members, a register of their interests, office bearer role descriptions and expectations of board members.

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

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.

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).

Guarantee

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

SCOTTISH RECOVERY CONSORTIUM

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2018

Statement of directors' responsibilities

The directors 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 required the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. 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 FRS 102 Charities SORP and update Bulletin 1;
- make judgements and accounting 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 business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small entity provisions

This report has been prepared in accordance with the special provisions for small entities under Part 15 of the Companies Act 2006.

Approved on behalf of the directors on 20/11/18

M. D. Bitel

M Bitel
Director

SCOTTISH RECOVERY CONSORTIUM

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF SCOTTISH RECOVERY CONSORTIUM FOR THE YEAR ENDED 31 MARCH 2018

I report on the accounts of Scottish Recovery Consortium for the year ended 31 March 2018, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and the notes to the Financial Statements.

This report is made solely to the charity's directors, as a body, in accordance with section 44 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 Companies Act 2006, the Charities Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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 Act and to state whether particular matters have come to my attention.

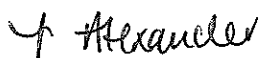
Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 Regulationshave 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.



Jennifer Alexander CA
Director
Scott-Moncrieff
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Dated: 20/11/18.

SCOTTISH RECOVERY CONSORTIUM

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income from:						
Charitable activities	4	319,376	-	41,952	361,328	284,219
Total		<u>319,376</u>	<u>-</u>	<u>41,952</u>	<u>361,328</u>	<u>284,219</u>
Expenditure:						
Charitable activities	5	(264,798)	-	(37,579)	(302,377)	(272,070)
Total		<u>(264,798)</u>	<u>-</u>	<u>(37,579)</u>	<u>(302,377)</u>	<u>(272,070)</u>
Net income and movement in funds	7	54,578	-	4,373	58,951	12,149
Reconciliation of funds:						
Total funds brought forward		<u>37,473</u>	<u>23,986</u>	<u>11,413</u>	<u>72,872</u>	<u>60,723</u>
Total funds carried forward	17	<u>92,051</u>	<u>23,986</u>	<u>15,786</u>	<u>131,823</u>	<u>72,872</u>

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

All income and expenditure derives from continuing activities.

The notes on pages 8 to 17 form part of these financial statements.

SCOTTISH RECOVERY CONSORTIUM**BALANCE SHEET
AS AT 31 MARCH 2018**

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	10	3,309	6,393
Current assets			
Debtors	11	21,932	1,802
Cash and cash equivalents	12	118,531	77,450
		<u>140,463</u>	<u>79,252</u>
Current liabilities			
Creditors: due in less than one year	13	<u>(11,949)</u>	<u>(12,773)</u>
Net current assets		<u>128,514</u>	<u>66,479</u>
Net assets		<u>131,823</u>	<u>72,872</u>
Funds			
Restricted funds	17	15,786	11,413
Designated funds	17	23,986	23,986
Unrestricted funds	17	<u>92,051</u>	<u>37,473</u>
Total funds	17	<u>131,823</u>	<u>72,872</u>

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

For the year ended 31 March 2018, the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006. No member of the charitable 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 charitable company keeps accounting records which comply with sections 386 and 387 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its net income 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 charitable company.

The financial statements were authorised for issue by the directors on 20/11/18 and signed on their behalf by:

M. D. Bitel

**M Bitel
Director**

**Company registration Number: SC366140
Scottish Charity Number: SC041181**

The notes on pages 8 to 17 form part of these financial statements.

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated.

The principal activity of the Scottish Recovery Consortium is to build and promote recovery from addictions in Scotland using means and messages that are consistent with the values and practices of recovery from addiction.

Scottish Recovery Consortium is a charitable company limited by guarantee in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC041181. In the event of winding up the company a member is liable to contribute £1.

2. Principal accounting policies

Basis of preparation

The principal accounting policies adopted, judgements and key sources of estimated uncertainty applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (effective 1 January 2015), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', and update Bulletin 1 to the SORP published in February 2017, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Companies Act 2006.

Scottish Recovery Consortium meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates were deemed to be significant to the financial statements.

Going concern

The charitable company has a satisfactory balance sheet and cash flow position as at 31 March 2018 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.

2. Principal accounting policies (continued)

Income recognition

Donations

Donations are recognised and included in the Statement of Financial Activities when the charitable company has control over the donation, any conditions associated with the donation have been met, the receipt of the economic benefit is probable and that the economic benefit can be measured reliably.

Charitable activities

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.

Resources expended

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

Charitable activities

Comprises those costs incurred by the charity 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. The bases on which support costs have been allocated are set out in note 6.

Value Added Tax

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

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

Debtors

Prepayments are valued at the amount prepaid after taking account of any discounts. Accrued income is recognised in the financial period to which it relates to and when the charitable company is entitled to receive the income. Debtors are recognised at the settlement amount due after any discounts offered.

2. Principal accounting policies (continued)

Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Operating lease agreements

The charitable company classifies the lease of premises as operating leases; the title to the property remains with the lessor. Costs in respect of operating leases are charged on a straight line basis over the lease term.

Pension scheme

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

Restricted reserves

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.

Designated reserves

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

Unrestricted reserves

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

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. Comparative Statement of Financial Activities for the year ended 31 March 2017

	<i>Unrestricted Funds</i>	<i>Designated Funds</i>	<i>Restricted Funds</i>	<i>Total 2017</i>
	£	£	£	£
Income from:				
Charitable activities	244,499	-	39,720	284,219
Total	<u>244,499</u>	<u>-</u>	<u>39,720</u>	<u>284,219</u>
Expenditure on:				
Charitable activities	(240,104)	-	(31,966)	(272,070)
Total	<u>(240,104)</u>	<u>-</u>	<u>(31,966)</u>	<u>(272,070)</u>
Net income	4,395	-	7,754	12,149
Transfer between funds	(274)	-	274	-
Net movement in funds	4,121	-	8,028	12,149
Reconciliation of funds:				
Total funds brought forward	33,352	23,986	3,385	60,723
Total funds carried forward	<u>37,473</u>	<u>23,986</u>	<u>11,413</u>	<u>72,872</u>

4. Income from charitable activities

	2018			2017		
	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>
	£	£	£	£	£	£
Scottish Government	309,990	-	309,990	235,690	5,000	240,690
Recovery workshops	2,896	-	2,896	-	22,720	22,720
Sundry income	6,490	-	7,490	8,762	-	8,762
Recovery walk	-	40,952	40,952	47	-	47
7 Cities Tour	-	1,000	1,000	-	-	-
ORT Recovery & Me	-	-	-	-	1,500	1,500
Walk 500 miles	-	-	-	-	1,500	1,500
University of Life	-	-	-	-	1,500	1,500
Community Development	-	-	-	-	1,500	1,500
Methodone Memoirs	-	-	-	-	1,500	1,500
Café Lead Host	-	-	-	-	1,500	1,500
Recovery Initiative	-	-	-	-	3,000	3,000
	<u>319,376</u>	<u>41,952</u>	<u>361,328</u>	<u>244,499</u>	<u>39,720</u>	<u>284,219</u>

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

5. Expenditure on charitable activities

	2018		2017	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Publications & film	3,814	-	3,814	1,223
Sessional staff & volunteer expenses	3,772	-	3,772	2,950
National shared learning events	-	-	-	1,582
Telephone	1,935	-	1,935	1,670
Stationery, printer & copier	8,248	-	8,248	7,499
Technical support & maintenance	10,484	-	10,484	12,428
Equipment	643	-	643	-
Recovery workshops	-	-	-	949
Miscellaneous	6,951	-	6,951	5,729
Special Events	4,935	-	4,935	-
Methadone Memoirs Fund	-	-	-	2,455
Recovery Walk	-	32,970	32,970	27,994
Walk 500 Miles Fund	-	1,067	1,067	-
Community Development Fund	-	1,050	1,050	-
University of Life Fund	-	729	729	-
Café Lead Host Fund	-	763	763	-
7 Cities Tour Fund	423	1,000	1,423	-
Recovery College Leadership Programme	23,707	-	23,707	-
Governance costs (note 6)	3,312	-	3,312	3,540
Support costs (note 6)	196,574	-	196,574	202,534
	264,798	37,579	302,377	240,104
				31,966
				272,070

6. Analysis of governance and support costs

The charitable company initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between the key charitable activities undertaken in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	General support £	Governance function £	2018 Total £	2017 Total £	Basis of apportionment
Office operating costs and staff travel	37,715	-	37,715	48,041	Invoiced costs
Salaries, wages and related costs (note 8)	158,859	-	158,859	154,493	Allocated on time
Independent examination fee	-	3,312	3,312	3,540	Governance
	196,574	3,312	223,593	206,074	

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. Net income for the year		2018	2017
		£	£
This is stated after charging:			
Operating leases – land and building		16,500	15,120
Depreciation		3,084	6,142
Independent examination fee		3,312	3,540
		<u>16,500</u>	<u>15,120</u>
8. Staff costs		2018	2017
		£	£
Wages and salaries		138,803	134,772
Social security costs		11,456	11,121
Pension costs		8,600	8,600
		<u>158,859</u>	<u>154,493</u>

None of the directors received remuneration from the company in the year (2017: nil), and no employees received remuneration in excess of £60,000 in the year (2017: £nil).

One director was reimbursed travel expenses incurred in the year, total reimbursed £69 (2017: nil).

The average number of staff employed by the charitable company during the financial year was 4 (2017: 4).

The directors consider its key management personnel comprise the directors and the chief executive. The total employment benefits including employer pension contributions of the key management personnel were £48,999 (2017: £48,611).

9. Taxation

The charitable company is recognised by HM Revenue and Customs as a charity and accordingly there is no liability to taxation on any of its income.

10. Tangible fixed assets		Tenant's improvements £	Fixtures, fittings and equipment £	Total £
Cost:				
At 1 April 2017 and 31 March 2018		54,127	27,609	81,736
		<u>54,127</u>	<u>27,609</u>	<u>81,736</u>
Depreciation:				
At 1 April 2017		54,127	21,216	75,343
Charge for the year		-	3,084	3,084
		<u>54,127</u>	<u>24,300</u>	<u>78,427</u>
At 31 March 2018		54,127	24,300	78,427
		<u>54,127</u>	<u>24,300</u>	<u>78,427</u>
Net book value:				
At 31 March 2018		-	3,309	3,309
		<u>-</u>	<u>3,309</u>	<u>3,309</u>
At 31 March 2017		-	6,393	6,393
		<u>-</u>	<u>6,393</u>	<u>6,393</u>

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

11. Debtors	2018	2017
	£	£
Prepayments	1,932	1,802
Accrued income	20,000	-
	<u>21,932</u>	<u>1,802</u>
12. Cash and cash equivalents	2018	2017
	£	£
Cash in hand and at bank	118,531	77,450
	<u>118,531</u>	<u>77,450</u>
13. Creditors: due in less than one year	2018	2017
	£	£
Accruals	3,283	6,102
Other creditors	292	820
Social security and other taxes	6,376	3,853
Pensions	1,998	1,998
	<u>11,949</u>	<u>12,773</u>
14. Financial instruments	2018	2017
	£	£
Cash and cash equivalents	118,531	77,450
Financial assets measured at amortised cost	20,000	-
	<u>138,531</u>	<u>77,450</u>
Financial liabilities measured at amortised cost	5,573	8,920
	<u>5,573</u>	<u>8,920</u>

Financial assets measured at amortised cost comprise cash and accrued income.

Financial liabilities measured at amortised cost comprise accrued expenses, other creditors and pension creditor.

15. Analysis of net assets between funds	Tangible fixed assets	Net current assets	Total 2018
	£	£	£
Designated funds	3,309	20,677	23,986
Restricted funds	-	14,363	14,363
Unrestricted funds	-	93,474	93,474
	<u>3,309</u>	<u>128,514</u>	<u>131,823</u>

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FOR THE YEAR ENDED 31 MARCH 2018

15. Analysis of net assets between funds (continued)	Tangible fixed assets £	Net current assets £	Total 2017 £
<i>Designated funds</i>	6,393	17,593	23,986
<i>Restricted funds</i>	-	11,413	11,413
<i>Unrestricted funds</i>	-	37,473	37,473
	<u>6,393</u>	<u>66,479</u>	<u>72,872</u>

16. Operating lease commitments

At 31 March 2018 the charitable company had annual commitments (excluding VAT) under non-cancellable operating leases as follows:

	2018 Land & buildings £	2017 Land & buildings £
Leases ending within one year	<u>16,500</u>	<u>14,000</u>

17. Funds	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Restricted reserves:					
Recovery Walk	-	40,952	(32,970)	-	7,982
Methadone Memoirs	2,430	-	-	-	2,430
ORT Recovery & Me	456	-	-	-	456
Walk 500 Miles	1,067	-	(1,067)	-	-
University of Life	1,500	-	(729)	-	771
Community Development	1,460	-	(1,050)	-	410
Café Lead Host	1,500	-	(763)	-	737
Recovery Initiative	3,000	-	-	-	3,000
7 Cities Tour Fund	-	(1,000)	(1,000)	-	(1,000)
Total restricted	<u>11,413</u>	<u>41,952</u>	<u>(37,579)</u>	<u>-</u>	<u>15,786</u>
Designated reserves:					
Building refurbishment	23,986	-	-	-	23,986
Total designated	<u>23,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,986</u>
General reserve	<u>37,473</u>	<u>319,376</u>	<u>(264,798)</u>	<u>-</u>	<u>92,051</u>
	<u>72,872</u>	<u>361,328</u>	<u>(302,377)</u>	<u>-</u>	<u>131,823</u>

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

17. Funds (continued)	At 1 April 2016	Income	Expenditure	Transfers	At 31 March 2017
Restricted reserves:	£	£	£	£	£
Recovery Walk	-	27,720	(27,994)	274	-
Methadone Memoirs	3,385	1,500	(2,455)	-	2,430
ORT Recovery & Me	-	1,500	(1,044)	-	456
Walk 500 Miles	-	1,500	(433)	-	1,067
University of Life	-	1,500	-	-	1,500
Community Development	-	1,500	(40)	-	1,460
Café Lead Host	-	1,500	-	-	1,500
Recovery Initiative	-	3,000	-	-	3,000
Total restricted	3,385	39,720	(31,966)	274	11,413
Designated reserves:					
Building refurbishment	23,986	-	-	-	23,986
Total designated	23,986	-	-	-	23,986
General reserve	33,352	244,499	(240,104)	(274)	37,473
	60,723	284,219	(272,070)	-	72,872

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 – The charity received income of £nil (2017: £1,500) 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.' As at 31 March 2018, £2,430 (2017: £2,430) was still to be spent on this equipment.

ORT Recovery & Me – The charity received income of £nil (2017: £1,500) 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. As at 31 March 2018, £456 (2017: £456) was still to be spent.

Walk 500 Miles – The charity received income of £nil (2017: £1,500) 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. As at 31 March 2018, £nil (2017: £1,067) was still to be spent.

University of Life – The charity received income of £nil (2017: £1,500) from Corra Foundation (formerly Lloyds TSB Foundation) towards the equipment for recording lectures at the university of life and creating new publicity material for courses. As at 31 March 2018, £771 (2017: £1,500) was still to be spent.

Community Development – The charity received income of £nil (2017: £1,500) 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. As at 31 March 2018, £410 (2017: £1,460) was still to be spent.

SCOTTISH RECOVERY CONSORTIUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

17. Funds (continued)

Café Lead Host – The charity received income of £nil (2017: £1,500) 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. As at 31 March 2018, £737 (2017: £1,500) was still to be spent.

Recovery Initiative – The charity received income of £nil (2017: £3,000) 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. As at 31 March 2018, £3,000 (2017: £3,000) was still to be spent.

7 Cities Tour - £1,000 was gifted for a project by SRN. The project was overspent in the year, with the excess spend being covered by general funds.

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.

18. Related party transactions

There were no related party transactions other than the remuneration and board expenses for the board of directors as disclosed in note 8.