

Scottish Community Re:Investment Trust

Report and Accounts for the year ended 31st March 2018

Scottish Charity Number: SC045093

Scottish Community Re:Investment Trust Report and Accounts for the year ended 31st March 2018

Trustees' Report

The members of the Board of Trustees are pleased to present their report and the financial statements for the year ended 31 March 2018.

Structure, Governance and Management

The Scottish Community Re:Investment Trust (SCRT) was registered as a Scottish Charitable Incorporated Organisation (no: SC045093) on September 5th 2014 and is governed by its constitution.

The organisation's structure comprises of a Board of Trustees working at a strategic level with support from the Director of Operations. The Board meets at least every six weeks with the Chair communicating with the Director on an additional ad hoc basis. Trustees are elected by the membership at the Annual General Meeting and the Board may at any time appoint any Full member to be a trustee. The Board consists of up to five trustees drawn from the membership, up to two trustees appointed on the basis of special skills and experience and two trustees nominated by the founding members and subsequently by the Development Director.

The Director of Operations oversees all day to day running of the charity as well as providing reports and other information for the Trustees Board meetings. As a membership led organisation, the Annual General Meetings are open to all members.

SCRT has two forms of membership – Full membership and Associate Membership

- Full membership is open to third sector organisations that are operating in Scotland and support the aims of the organisation. Full membership entitles the member to full voting rights at the AGM.
- Association membership is open to individuals and organisations that support the remit of the organisation. Associate members do not have a vote at the AGM although they are entitled to attend.

An AGM for members was held on the 28th September 2017 with a presentation from Carnegie Trust.

Current trustees:

Deirdre Forsyth – (Chair)
Nigel Henderson – (Treasurer)
Pauline Hinchion
Eamonn Connolly
Alison Massie
Rodney Stares

Trustees who served during the year:

Andy Law (resigned 28/9/17)
Marlene Shiels (resigned 28/9/17)
Pauline Smith (resigned 12/12/17)

The principal office address of the charity is 21 Walker Street, Edinburgh EH3 7HX

The SCRT was established with the following purposes:

To advance education, citizenship and community development, and in particular promote the third sector within Scotland for the benefit of the general public. In furtherance of the purposes the organisation shall:

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Trustees' Report (continued)

- Pool the collective financial assets of the third sector in Scotland in order to generate new forms of social banking and to provide, procure or assist with the provision of financial products, support etc. for the third sector in Scotland;
- Promote the efficient and effective application of third sector resources, with a view to improving the collective long-term financial sustainability of third sector organisations within Scotland; and
- Take other steps to strengthen third sector organisations within Scotland, supporting them to address social, economic and ecological issues that disadvantage people and communities.

Activities and achievements

SCRT is involved in the development of the social investment sector in Scotland such that it meets the needs of its members and organisations within the wider third sector. This includes publishing a monthly social finance bulletin; writing articles on social finance; inputting into new strategy documents like the new Social Enterprise Strategy for Scotland and providing independent support to Scottish third sector organisations.

Of particular note over the past twelve months to March 2018 was the creation of a new Community Benefit Society (BenCom) called Scottish Communities Finance Ltd. This was registered with the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014 (registration No 7649). The purpose of the BenCom is to progress, promote and deliver on the Community Bond model that SCRT has been developing as part of its Community Re: Investment work.

The new BenCom launched a pilot Community Bond offer in conjunction with the Social Enterprise Network (SEN) Community. The offer was launched in December 2017 and will close in May 2018. The purpose of the offer is to create a bespoke Community Loan Fund that would provide loans to SEN members.

The SCRT website (www.scrt.scot) continues to be updated on a regular basis and contains a range of resources online via a Resource Centre that includes a glossary of terms; a library of reports and documentation; a social investment product guide and monthly bulletins. SCRT membership is now at 168 as at March 2018, whilst the monthly bulletin has a reach of 430.

Plans for the future

SCRT focus is on securing funding to continue to develop the community reinvestment model in conjunction with Scottish Communities Finance Ltd. This requires partnership working with community representatives interested in establishing a community fund. In addition, SCRT will continue to seek funding to undertake the development of social investment training programme for third sector organisations, particular for small to medium sized charities. It will continue to provide objective and independent social finance support to members and other third sector organisations in Scotland who require it and it will continue its social media campaign to raise its profile and influence via its website, bulletins and Twitter.

Financial Review

Income received by the charity in the year totalled £81,120 and expenditure was £71,179 resulting in a surplus of £9,941. Of this, £10,126 was held on behalf of Scottish Communities Finance Ltd and SCRT's operations realised a small deficit of £185, leaving £10,601 in unrestricted funds.

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Trustees' Report (continued)

The principal funding for SCRT is a grant from the Scottish Government. The Trustees are mindful that their reliance on a single grant source is a vulnerable position and are taking steps to mitigate any risk. As a new organisation, they anticipate that grant income will continue to form part of the financing picture for the foreseeable future, but they are optimistic that income diversification will happen so that SCRT is less reliant on a single source of money and ensure a better mix of generated income and grant funding.

The Trustees' policy is to strive to retain unrestricted cash reserves equivalent to three months normal running costs in order to meet commitments and to cover any unexpected expenditure. Based on current expenditure this is estimated at around £17,795. However, these reserves will be built up over time and will increase or decrease depending on future SCRT expenditure.

Approved by the Trustees on 14th June 2018 and signed on their behalf by:

Signed Nigel Henderson
Nigel Henderson

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**Independent Examiner's Report to the Board of Trustees of Scottish
Community Re:Investment Trust**

I report on the accounts of the charity for the year to 31 March 2018.

Respective responsibilities of the Trustees and examiner

The charity's trustees 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.

The trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts 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 Charities Accounts (Scotland) Regulations 2006. 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 trustees 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 9 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.

Signed *Stanley Wynd*

Date *21/6/18*

Stanley Wynd ACIS FCIE
122 Giles Street
Edinburgh
EH6 6BZ

Scottish Community Re:Investment Trust
Receipts and Payments Account for the Year Ended
31st March 2018

	Restricted funds £	Unrestricted funds £	Total Year to 31.3.18 £	Total 18 months to 31.3.17 £
<u>Receipts</u>				
Grants	-	69,380	69,380	109,380
Donations/supporters	-	-	-	25
Conference income	-	-	-	7,657
Consultancy	-	1,600	1,600	-
Bank interest	-	14	14	-
Other income	10,126	-	10,126	-
Total receipts	<u>10,126</u>	<u>70,994</u>	<u>81,120</u>	<u>117,062</u>
<u>Payments</u>				
<i>Payments for charitable activities:</i>				
Salaries, NIC and pensions	-	50,877	50,877	70,399
Management support and rent	-	7,800	7,800	16,850
Travel & subsistence	-	1,405	1,405	4,035
Conferences and Events	-	455	455	11,946
Marketing	-	811	811	110
Training	-	180	180	-
Office costs	-	3,177	3,177	1,986
Other legal and professional fees	-	3,858	3,858	900
Subscriptions	-	1,020	1,020	776
Bank charges	-	8	8	-
<i>Governance costs:</i>				
Accountancy	-	1,170	1,170	600
Trustee travel	-	98	98	1,037
Board meetings & AGM	-	320	320	822
Total payments	<u>-</u>	<u>71,179</u>	<u>71,179</u>	<u>109,461</u>
Surplus/(deficit)	10,126	(185)	9,941	7,601
Cash funds brought forward	-	10,786	10,786	3,185
Cash funds carried forward	<u>10,126</u>	<u>10,601</u>	<u>20,727</u>	<u>10,786</u>

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Receipts and Payments Account for the Year Ended
31st March 2018

Bank and cash on hand

	31.3.18	31.3.17
	£	£
Opening balances	10,786	3,185
Surplus / (deficit) for year	9,941	7,601
Closing balances	<u>20,727</u>	<u>10,786</u>

Restricted funds

At the end of the year SCRT were holding funds of £10,126 on behalf of Scottish Communities Finance Ltd, a community benefit society set up by SCRT, pending the opening of that company's own bank account

Assets and liabilities

At the year end the charity had no assets other than the cash held in the bank and had a debt totalling £5,003 made up of unpaid bills for March 2018, which were settled the following April (2017: £5,278).

Trustee expenses

Pauline Hinchion, a member of the Board, received salary and pension payments totalling £46,200 in the year (£62,930: 18 months to 31.3.17)). This is provided for in the charity's constitution. A total of £1,457 was paid for travel and subsistence expenses to 2 trustees (£5,073: 18 months to 31.3.17 - 5 trustees).

Approved by the Board of Trustees on 14th June 2018 and signed on their behalf



 Nigel Henderson

