

Scottish Community Re:Investment Trust

**Report and Accounts
for the period ended 31st March 2017**

Scottish Charity Number: SC045093

Scottish Community Re:Investment Trust Report and Accounts for the period ended 31st March 2017

Trustees' Report

The members of the Board of Trustees are pleased to present their report and the financial statements for the eighteen month period ended 31 March 2017.

Structure, Governance and Management

The Scottish Community Re:Investment Trust (SCRT) was initiated by the Social Entrepreneurs Network Scotland (Senscot) and was registered as a Scottish Charitable Incorporated Organisation (number SC045093) on September 5th 2014.

The organisation is governed by its constitution and its structure comprises of a Board of Trustees working at a strategic level with support from Senscot staff and 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.

Current trustees:

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

Trustees who served during the period and resigned at the AGM in 2016:

Gerry Higgins
Alex Walker
Niamh Goggin
Lynn McCulloch

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:

- 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

Scottish Community Re:Investment Trust Report and Accounts for the period ended 31st March 2017

Trustees' Report (continued)

- 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 all aspects of development within the social finance arena in Scotland. This includes inputting into new strategy documents like the new Social Enterprise Strategy for Scotland; publishing online a monthly social finance bulletin; writing articles on social finance and providing independent advice to Scottish third sector organisations.

Of particular note over the period to March 2017 has been the announcement of the closure of our banking partner Airdrie Savings Bank. This resulted in a change in the SCRT development of the community reinvestment fund model with SCRT working with lawyers and the Finance Conduct Authority (FCA) to redesign an alternative model that best suits our needs.

It is anticipated that the new model and FCA approval will be completed in the next financial year and SCRT is speaking with a number of potential partners to undertake a pilot that will test the model and outline any changes required before rolling it out to other communities.

SCRT has joined Responsible Finance, the UK network body for Community Development Finance Institutions (CDFIs). This ensures that it is fully up to-date on what others in the social finance sector are doing, in addition to ensuring it is up to-date on all policy and procedural changes relevant to the social finance sector.

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 150 as at March 2017 and continues to grow as does the number of people and organisations that receive the monthly SCRT bulletin and follow the SCRT on Twitter. A successful AGM for members was held on the 2nd March 2016 and new Trustees were appointed onto the board at that meeting.

The Trustees held an 'Awayday' in December 2015 using an external 'Scribe' to capture the main points from a very successful meeting. The Trustees consider that major progress has been made during this period and look forward to further development in the coming twelve months.

Plans for the future

SCRT focus is on securing funding to continue to develop the community reinvestment model and to undertake the piloting of the model. This requires partnership working with community representatives interested in establishing a community fund and willing to take part in the pilot phase. 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. We will continue to provide objective and independent social finance advice and support to members and other third sector organisations in Scotland who require it and we will continue our social media campaign to raise our profile and influence via our website, bulletins and twitter.

Scottish Community Re:Investment Trust Report and Accounts for the period ended 31st March 2017

Trustees' Report (continued)

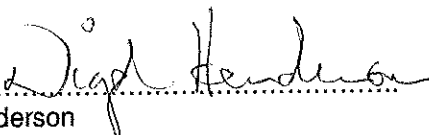
Financial Review

Income received by the charity in the year totalled £117,062 and expenditure was £109,461. This resulted in a surplus of £7,601 and a bank balance of £10,786.

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, we anticipate that grant income will continue to form part of our financing for the foreseeable future but we are optimistic that we will diversify our income so that we are 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 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 £27,365. However, these reserves will be built up over time and will increase or decrease depending on future SCRT expenditure.

Approved on 22 June 2017 by the Trustees and signed on their behalf by:

Signed 
Nigel Henderson

**Scottish Community Re:Investment Trust
Report and Accounts for the period ended 31st March 2017**

**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 period to 31 March 2017.

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 .. *25/7/17*

Stanley Wynd ACIS FCIE
Bonnington Mill
72 Newhaven Road
Edinburgh
EH6 5QG

Scottish Community Re:Investment Trust
Receipts and Payments Account for the Period Ended
31st March 2017

| | Restricted funds £ | Unrestricted funds £ | Total 18 months to 31.3.17 £ | Total 30.9.15 |
|-------------------------------------|--------------------------|----------------------------|---------------------------------------|---------------|
| <u>Receipts</u> | | | | |
| Grants | 5,000 | 104,380 | 109,380 | 22,598 |
| Donations/supporters | - | 25 | 25 | 15,150 |
| Conference income | - | 7,657 | 7,657 | - |
| Other income | - | - | - | 332 |
| Total receipts | <u>5,000</u> | <u>112,062</u> | <u>117,062</u> | <u>38,080</u> |
| <u>Payments</u> | | | | |
| Payments for charitable activities: | | | | |
| Salaries, NIC and pensions | - | 70,399 | 70,399 | 3,890 |
| Management support and rent | - | 16,850 | 16,850 | 10,500 |
| Consultancy | - | - | - | 12,500 |
| Travel & subsistence | - | 4,035 | 4,035 | 2,873 |
| Conferences and Events | 5,000 | 6,946 | 11,946 | 2,018 |
| Marketing | - | 110 | 110 | 1,440 |
| Training | - | - | - | 1,016 |
| Office costs | - | 1,986 | 1,986 | - |
| Subscriptions | - | 776 | 776 | - |
| Governance costs: | | | | |
| Accountancy | - | 600 | 600 | - |
| Other legal and professional fees | - | 900 | 900 | - |
| Trustee travel | - | 1,037 | 1,037 | 524 |
| Board meetings & AGM | - | 822 | 822 | 134 |
| Total payments | <u>5,000</u> | <u>104,461</u> | <u>109,461</u> | <u>34,895</u> |
| Surplus/(deficit) for the period | - | 7,601 | 7,601 | 3,185 |
| Cash funds brought forward | - | 3,185 | 3,185 | - |
| Cash funds carried forward | <u>-</u> | <u>10,786</u> | <u>10,786</u> | <u>3,185</u> |

Scottish Community Re:Investment Trust
Receipts and Payments Account for the Period Ended
31st March 2017

Bank and cash on hand

| | | |
|------------------------------|---------------|--------------|
| | 31.3.17 | 30.9.15 |
| | £ | £ |
| Opening balances | 3,185 | - |
| Surplus / (deficit) for year | 7,601 | 3,185 |
| Closing balances | <u>10,786</u> | <u>3,185</u> |

Restricted funds

| | Balance at 1.10.15 | Received | Paid | Balance at 31.3.17 |
|---------------------|-----------------------|----------|---------|-----------------------|
| Scottish Government | - | 5,000 | (5,000) | - |

Contribution towards cost of conference on social finance held in Edinburgh in November 2015

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 £5,278 made up of unpaid bills for March 2017, which were settled the following April (2015: £2,998).

Trustee expenses

Pauline Hinchion, a member of the Board, received salary and pension payments totalling £62,930 in the 18 month period (2015: £10,810). This is provided for in the charity's constitution. A total of £5,073 (2015: £2,233) was paid for travel and subsistence expenses to 5 trustees (2015: 3).

Approved by the Board of Trustees on 22 June 2017 and signed on their behalf

Signed Nigel Henderson
 Nigel Henderson

Date 25th July 2017