

Second Chance Project Scotland

**Report of the trustees and unaudited financial statements
for the year ended 31 March 2022**

**Company number: SC311599
Scottish charity number: SC037825**



Cornerstone Accountants
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

Second Chance Project Scotland

**Contents of the financial statements
For the year ended 31 March 2022**

	Page
Report of the Trustees	1 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Statement of Cashflows	8
Notes to the Financial Statements	9 to 15

Second Chance Project Scotland

Report of the Trustees For the year ended 31 March 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS102 'Accounting and Reporting by Charities' (revised in 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC311599 (Scotland)

Registered Charity number

SC037825

Registered office

6th Floor, Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

Trustees

Dr J McGuinness	Director
A Rae	Director
M McArthur	Director

Independent examiner

Douglas Woodhouse
Cornerstone Accountants
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

Bankers

National Westminster Bank plc
14 Blythswood Square
Glasgow
G2 4AQ

Solicitors

Biggart Baillie LLP
Dalmore House
310 St Vincent Street
Glasgow
G2 5QR

Second Chance Project Scotland

Report of the Trustees
For the year ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its Memorandum and Articles of Association, and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The procedures for recruitment and appointment of trustees are as set out in the Articles of Association.

Any member who wishes to be considered for election as a trustee at an annual general meeting must lodge with the charity a written notice confirming that he/she is willing to be appointed; the notice must be signed by him/her and lodged with the charity at least seven days before the date of the annual general meeting.

At an annual general meeting the members present may at any time appoint any member who has given notice of his/her willingness to accept an appointment as trustee.

The trustees may at any time appoint any member to be a trustee, either to fill a vacancy or as an additional trustee.

Related parties

Mr Alexander Rae, who is a trustee, has made a loan to the charity. The balance due to him as at 31 March 2022 is £2,000 (2021: £2,000). The loan is interest free, repayable on demand and has no fixed terms of repayment.

Risk management

The trustees have reviewed the risks to which the charity is exposed and consider that appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity was set up in Glasgow to support service users affected by drug and alcohol dependency by providing them with a range of treatment options delivered through structured day treatment that integrates a 12-Step approach with clinical and psycho-social interventions within a care package based on individual need.

One of the charity's main services is the Community Abstinence based day programme for rehabilitation of Alcoholics & Drug Users, which offers an otherwise unavailable abstinence only programme. It is a 3 phase, 12 month programme based on the 12 steps Minnesota Model of Recovery - low threshold detox, comprehensive need assessments, individualised care-planning, group counselling, one to one therapy, lectures, holistic therapies and living skills training.

Charitable activities

The charity currently delivers a structured day care programme based in Carlton Place, Glasgow which operates five days per week catering for 24 clients per week. The charity employs a full time Project Manager, four Project Workers, a part-time Marketing and Fundraising Manager and a part-time Administrator. The general management and accounting of the operation is controlled by a self-employed consultant who has had extensive experience in finance and management. He reports directly to the Trustees. Additional programme and administration staff are involved on a voluntary ad hoc basis.

Second Chance Project Scotland

Report of the Trustees
For the year ended 31 March 2022

OBJECTIVES AND ACTIVITIES *(continued)*

Charitable activities *(continued)*

Core services delivered by the charity include:

- Pre-contemplative support
- Individualised care planning
- Offending behaviour groups
- Alcohol interventions
- Crack cocaine/stimulant interventions
- Aftercare group work
- Gender specific support
- Diversity awareness
- Alternative therapies
- Community mentoring
- Life Skills
- Parents & Carer support
- Training and diversionary activities

This has been a positive year for the Second Chance Project Scotland; although we are still very much under pressure financially, we are feeling much more positive about the future and look forward to the release of the new Abstinence Tender to allow us to make decisions about our future.

There has been a large shift in our staff base and the new staff have hit the ground running and continue to provide the Service that we always have done in the past.

The Abstinence Tender has been extended yet again until at least the end of this year which will allow us to confidently move towards the end of the year with some additional funding.

Our staff and volunteers continue to excel in all areas of our service with respect and praise coming from many different sources such as Glasgow Addiction Services, NWRC, NHS, Partner Services and Service Users. Everyone involved should feel very proud of the way we have dealt with the additional pressures of the last year whilst maintaining an excellent service and striving to continually improve.

The support we have received and are continuing to receive both internally and externally is very humbling but most importantly our Service Users keep achieving success in their Road to Recovery.... We never forget that is what it is all about.

FINANCIAL REVIEW

Reserves policy

The reserves of the charity comprise unrestricted funds, which are available to use in furtherance of achieving the charity's objectives and restricted funds that may be applied only as directed by the funder.

In the year ended 31 March 2022, the charity had a surplus of funds of £50,987 (2021: Deficiency £6,472) made up of a surplus on unrestricted funds of £11,194 (2021: Deficit £11,178) and restricted funds of £39,793 (2021: £4,706).

Second Chance Project Scotland

**Report of the Trustees
For the year ended 31 March 2022**

FINANCIAL REVIEW *(continued)*

The policy of the trustees is to have reserves of at least three months' operating expenditure.

Principal funding sources

The results for the year are set out in the Statement of Financial Activities on page 6. In 2021/2022 the funding has come from:

- Corra Foundation - £50,000.
- First Por Ltd - £15,000.
- National Health Service for abstinence tender - £141,666.
- The Robertson Trust - £17,500.
- Templeton Trust - £5,250.

FUTURE DEVELOPMENTS

Following our funding award from the Corra Foundation, we are delighted to be starting to develop our overdose clinic. This will allow us to work more closely with Service Users who have taken an overdose. We will also be providing both staff and Service Users with naloxone training to try and help combat the issues within the city. If we are successful with the up-and-coming tender we are planning to enhance and expand the Second Chance Project.

APPROVAL OF THE REPORT

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 19th December 2022 and signed on its behalf by:



A Rae
Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SECOND CHANCE PROJECT SCOTLAND

I report on the accounts for the year ended 31 March 2022 set out on pages 6 to 15.

Respective responsibilities of 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 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply; neither are the accounts required to be audited under Part 16 of the Companies Act 2006. 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 the independent examiner's report

My examination was 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 seeking explanations from you as 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 connection with 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 (as amended); and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations (as amended).

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.



Douglas Woodhouse BA, FCCA
Cornerstone Accountants
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

20th December 2022

Second Chance Project Scotland

Statement of Financial Activities (incorporating the income and expenditure account)
For the year ended 31 March 2022

		2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
	Note				
Income and endowments from:					
	3	-	-	-	-
Donation and legacies					
	4	-	-	-	-
Other trading activities					
	5	28,883	224,166	253,049	234,306
Charitable activities					
Total income and endowments		28,883	224,166	253,049	234,306
Expenditure on:					
Charitable activities	6	6,511	189,079	195,590	214,736
Net (expenditure)/income		22,372	35,087	57,459	19,570
Total funds at 1 April 2021		(11,178)	4,706	(6,472)	(26,042)
Total funds at 31 March 2022		11,194	39,793	50,987	(6,472)

Second Chance Project Scotland

Balance sheet

As at 31 March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	9	6,855	6,230
CURRENT ASSETS			
Debtors	10	4,320	-
Cash at bank and in hand		<u>51,237</u>	<u>5,672</u>
		55,557	5,672
CREDITORS			
Amounts falling due within one year	11	(11,425)	(18,374)
NET CURRENT ASSETS		<u>44,132</u>	<u>(12,702)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		50,987	(6,472)
NET ASSETS		<u>50,987</u>	<u>(6,472)</u>
FUNDS	12,13		
Unrestricted funds		11,194	(11,178)
Restricted funds		<u>39,793</u>	<u>4,706</u>
TOTAL FUNDS		<u>50,987</u>	<u>(6,472)</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 19th December 2022 and were signed on its behalf by:

A Rae
Trustee



Registered company number: SC311599

Second Chance Project Scotland

Statement of cashflows

For the year ended 31 March 2022

	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities				
Net (expenditure)/income	57,459		19,570	
Depreciation	4,245		2,530	
Gain on disposal	(3,030)		-	
Decrease/(increase) in debtors	(4,320)		-	
(Decrease)/increase in creditors	(6,949)		(19,038)	
Cash provided (used in)/provided by operating activities		47,405		3,062
Cash flows from investing activities				
Sales/(Purchases) of tangible assets	(1,840)		(-)	
Cash (used in) investing activities		(1,840)		(-)
(Decrease)/increase in cash and cash equivalents in the year		45,565		3,062
Cash and cash equivalents at the beginning of the year		5,672		2,610
Total cash and cash equivalents at the end of the year		51,237		5,672
Cash and cash equivalents comprise:				
Cash at bank		51,237		5,672

Second Chance Project Scotland

Notes to the financial statements (*continued*)

For the year ended 31 March 2022

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention. The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1.

The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" (revised 2015), and in accordance with Financial Reporting Standard 102 (FRS 102).

Going concern

These financial statements have been prepared on the going concern basis which assumes that the charity will continue its operations.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably. The value of services provided by volunteers has not been included.

Expenditure

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. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Expenditure on charitable purposes comprises those direct costs incurred by the charity in the fulfilment of its charitable objectives, along with an allocation of overhead support costs required to run the charity.

Governance costs are those associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner's fees and costs linked to the strategic management of the charity. As required by Charities SORP (FRS 102) governance costs are included within expenditure on charitable activities.

Second Chance Project Scotland

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

1. ACCOUNTING POLICIES *(continued)*

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on a reducing balance basis.
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on a straight line basis

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash

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.

Creditors and provisions

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

Financial instruments

The charity 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.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Vat

The charity is not registered for VAT: therefore costs are stated inclusive of irrecoverable VAT.

2. NET INCOME/(EXPENDITURE)

Net resources are stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	4,245	2,530
Independent Examination fees	<u>2,958</u>	<u>3,105</u>

Second Chance Project Scotland

Notes to the financial statements (continued)

For the year ended 31 March 2022

3. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Donation and legacies	-	-	-	-
	=====	=====	=====	=====

2021 comprised £nil of unrestricted donations.

4. OTHER TRADING INCOME

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Fundraising	-	-	-	-
	=====	=====	=====	=====

2021 comprised £nil of unrestricted income.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Grants from				
Foundation Scotland	-	-	-	10,000
Big Lottery Fund	-	-	-	30,000
Corra Foundation	-	50,000	50,000	9,480
Bank of Scotland Foundation	-	-	-	20,000
The Robertson Trust	-	17,500	17,500	12,000
Templeton Trust	5,250	-	5,250	5,250
National Health Service	-	141,666	141,666	91,667
Government Grants	23,283	-	23,283	54,439
First Port	-	15,000	15,000	-
Other income:				
Commission	350	-	350	1,470
	-----	-----	-----	-----
	28,883	224,166	253,049	234,306
	=====	=====	=====	=====

2021 comprised £59,689 of unrestricted grants, £1,470 of unrestricted commissions and £173,147 of restricted grant income.

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Direct project costs	-	856	856	856
Wages and salaries (note 7)	-	128,988	128,988	139,451
Support costs (note 8)	6,511	59,235	65,746	74,429
	-----	-----	-----	-----
	6,511	189,079	195,590	214,736
	=====	=====	=====	=====

2021 costs comprise £40,378 of unrestricted costs and £174,358 of restricted costs.

Second Chance Project Scotland

Notes to the financial statements (continued)

For the year ended 31 March 2022

7. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	123,908	133,323
Social security costs	5,080	6,128
	<u>128,988</u>	<u>139,451</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Full-time	4	4
Part-time	<u>3</u>	<u>3</u>
	<u>7</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

The project manager is considered to be key management. Key management remuneration in the year totalled £35,800 (2021; £32,516).

No trustee received remuneration, other benefits or received reimbursement of expenses for the year ended 31 March 2022 nor for the year ended 31 March 2021.

8. SUPPORT COSTS

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Insurance	365	4,000	4,365	3,416
Telephone	625	1,164	1,789	1,654
Postage and stationery	726	900	1,626	1,875
Fundraising	-	-	-	-
Sundry	821	-	821	872
Motor expenses	367	-	367	1,203
Repairs and maintenance	-	-	-	297
Medical costs	-	-	-	405
Courses	-	-	-	-
Rent and rates	1,647	23,495	25,142	29,100
Consultancy costs	583	25,500	26,083	26,500
Gain on disposal	(3,030)	-	(3,030)	-
Depreciation	3,540	705	4,245	2,530
Electricity	350	1,030	1,380	3,472
Legal fees	-	-	-	-
Governance costs	517	2,441	2,958	3,105
	<u>6,511</u>	<u>59,235</u>	<u>65,746</u>	<u>74,429</u>
	=====	=====	=====	=====

Governance costs comprise accounting fees for independent examination.

Second Chance Project Scotland

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2021	22,762	22,980	22,476	68,218
Additions	-	-	5,840	5,840
Disposals	-	(22,980)	-	(22,980)
At 31 March 2022	<u>22,762</u>	<u>-</u>	<u>28,316</u>	<u>51,078</u>
DEPRECIATION				
At 1 April 2021	19,277	21,686	21,025	61,988
Charge for year	524	324	3,397	4,245
Eliminated on disposal	-	(22,010)	-	(22,010)
At 31 March 2022	<u>19,801</u>	<u>-</u>	<u>24,422</u>	<u>44,223</u>
NET BOOK VALUE				
At 31 March 2022	<u>2,961</u>	<u>-</u>	<u>3,894</u>	<u>6,855</u>
At 31 March 2021	<u>3,485</u>	<u>1,294</u>	<u>1,451</u>	<u>6,230</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	-	-
Prepayments and accrued income	<u>4,320</u>	<u>-</u>
	<u>4,320</u>	<u>-</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Social security and other taxes	<u>8,444</u>	<u>1,463</u>
Loan from trustee	<u>2,000</u>	<u>2,000</u>
Accrued expenses	<u>981</u>	<u>14,911</u>
	<u>11,425</u>	<u>18,374</u>

Second Chance Project Scotland

Notes to the financial statements (continued)

For the year ended 31 March 2022

12. MOVEMENT IN FUNDS

	At 1 Apr 21 £	Income £	Expenditure £	At 31 Mar 22 £
Unrestricted funds	(11,178)	28,883	(6,511)	11,194
Restricted funds				
Corra Foundation	-	50,000	(50,000)	-
Robertson Trust	-	17,500	(17,500)	-
First Por Ltd	-	15,000	(15,000)	-
National Health Service	880	141,666	(104,904)	37,642
Glasgow City Council	2,332	-	(351)	1,981
Awards for All	200	-	(30)	170
Big Lottery Fund	1,294	-	(1,294)	-
	-----	-----	-----	-----
	4,706	224,166	(189,079)	39,793
	-----	-----	-----	-----
	(6,472)	253,049	(195,590)	50,987
	=====	=====	=====	=====

Purpose of restricted funds:

Glasgow City Council – funding to purchase equipment, against which depreciation on the assets acquired is now charged.

Awards for All – funding to purchase equipment and stationery, against which depreciation on the assets acquired is now charged.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Fixed assets	4,704	2,151	6,855	6,230
Current assets	17,915	37,642	55,557	5,672
Current liabilities	(11,425)	-	(11,425)	(18,374)
	<u>11,194</u>	<u>39,793</u>	<u>50,987</u>	<u>(6,472)</u>

Second Chance Project Scotland

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

14. FINANCIAL COMMITMENTS

At the year end, the charity had total minimum commitments under non-cancellable operating leases of:

	2022	2021
	£	£
Due within one year	18,000	25,000
Due between two and five years	-	-
	<hr/>	<hr/>
	<u>18,000</u>	<u>25,000</u>

15. RELATED PARTY DISCLOSURES

Mr Alexander Rae, who is a trustee, has made a loan to the charity. The balance due to him as at 31 March 2022 is £2,000 (2021: £2,000). The loan is interest free, repayable on demand and has no fixed terms of repayment.

16. ULTIMATE CONTROLLING PARTY

The charity is constituted by its Memorandum and Articles of Association and is controlled by its appointed trustees.