

**RAMH**

**Report and Financial Statements**

**for the year ended**

**31 March 2016**

**Company Registration Number SC141458**

**Scottish Charity Number SC010430**

# **RAMH**

## **Report and Financial Statements for the year ended 31 March 2016**

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# RAMH

## Report and Financial Statements for the year ended 31 March 2016

### Officers and Professional Advisers

#### The Board of Directors

Mr Norman Murray (Chairperson)  
Mr Alistair Brown  
Mr John Eden Resigned 18 July 2016  
Mrs Sheila Martin  
Mr Kenneth McMaster  
Mr Ian Simpson  
Mr Sean Skelly Resigned 2 September 2016  
Mrs Kathleen Taylor

#### Company Secretary and Chief Executive Officer

Stephen McLellan

#### Registered Office

41 Blackstoun Road  
Paisley  
Renfrewshire  
PA3 1LU

#### Auditor

Alexander Sloan  
Chartered Accountants  
38 Cadogan Street  
Glasgow  
G2 7HF

#### Bankers

Bank of Scotland  
The Cross  
Paisley  
PA1 1DB

#### Solicitors

MacFarlane Young & Co  
26 New Street  
Paisley  
PA1 1YB

# RAMH

## Directors' Annual Report for the year ended 31 March 2016

The Directors have pleasure in presenting their Annual Report and the Financial Statements of the charity for the year ended 31 March 2016.

### Directors

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors. The Directors serving during the year and since the year end are detailed on page 1.

### 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 General Accepted Accounting Practice).

Company law requires the Directors 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 incoming resources and application of resources, including 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 Charities SORP;
- Make judgements and 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping proper accounting records that 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 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Reference and administrative details of the charity

The reference and administrative details of the charity are set out on page 1.

# RAMH

## Directors' Annual Report for the year ended 31 March 2016

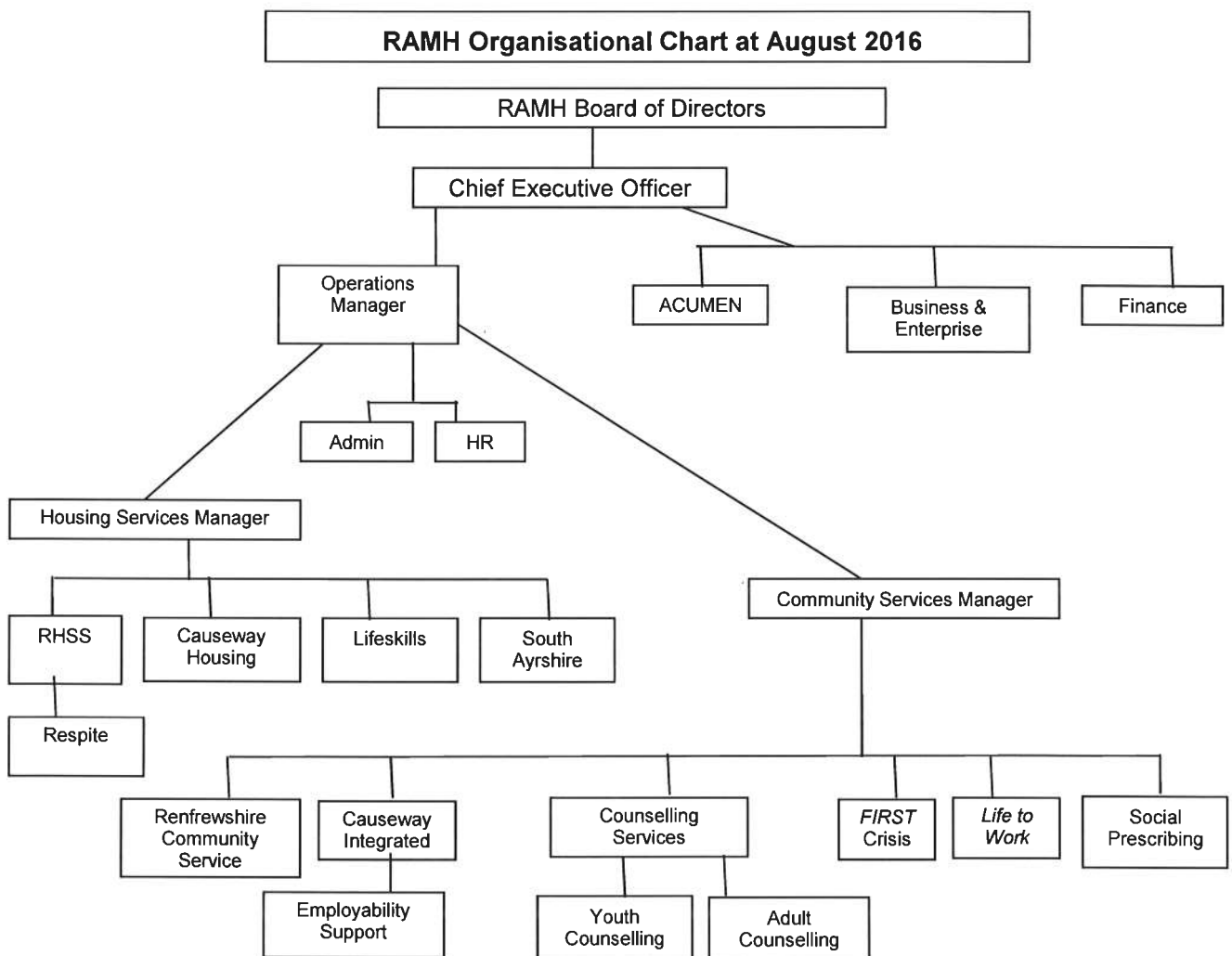
### Structure, governance and management

RAMH is a company limited by guarantee, and a recognised Scottish Charity (SC010430). The charity is governed by its Memorandum and Articles of Association. There have been no significant changes in the structure, governance or management of the charity in this period.

Directors are recruited via advertisements placed in the press, and selected by interview, on application, as per the charity's recruitment policies and procedures. There are job descriptions and job specifications that clearly define the role, tasks and responsibilities of the Directors. Individuals are presented to the AGM where members can vote to co-opt the successful applicants to the Board of Directors.

All Directors are subject to the charity's internal induction policy and will receive a comprehensive induction programme and skills analysis to determine training and development needs.

The structure of the charity is set out as follows:



# RAMH

## Directors' Annual Report for the year ended 31 March 2016

### **Structure governance and management (continued)**

An effective Board will provide good governance and leadership and act in the interests of the organisation including service users and their families and carers.

Board members need to be able to exercise independent judgment when weighing up and considering any plans and proposals from the Chief Executive and Senior Management Team, while at the same time not undermining management authority or de-motivating staff.

### **Risk management**

The Trustees are acutely aware of the continued impact of the Government's centralised austerity measures on the financial environment in which the organisation operates. They are conscious of the drive to reduce overall funding to Local Authorities, whilst the expectation of funders is to deliver more services.

The Trustees are particularly conscious of the legislative requirement to address the Living Wage and in particular, the Scottish Government's stated intent that fair working practices be developed for staff in social care related roles. The impact of this drive to create a minimum hourly rate of £8.25 an hour by 1 October, 2016, whilst welcome in principal, will be a challenge for the organisation unless Government and local statutory partners address genuine and realistic concerns regarding the affordability of such a programme.

The Trustees are aware of the recent ruling which impacts on 'Sleep Overs' (where staff are situated in facilities people's homes and are essentially available overnight). This ruling places additional responsibilities on funders to meet the cost at least equivalent to the Minimum Wage. The Trustees remain adamant that publicly funded activities must be contracted to take account of full cost recovery by providers.

The Trustees would note that the organisation does not directly receive funding from European sources, but they are concerned that, post Brexit, funding received in the wider public environment may be reallocated away from Social and Health Care Initiatives to compensate for alternative priorities. The Trustees will monitor the local environment and will seek to ensure that the welfare and rights of people who use RAMH's services remain their priority.

### **Main activities in the year and how these relate to the purpose**

The principal source of funding is grant income from Renfrewshire and East Renfrewshire Councils. All funds have been expended in supporting the key objectives of the organisation which are to relieve the suffering and distress, promote the welfare of and advance the education of people who are or have been sufferers of mental health difficulties by the provision of an organisation to develop mental health services.

Throughout the period, the organisation supported over 3700 individuals in a variety of settings and initiatives, to encourage and enable their personal recovery. In many instances, this is up to and including 24 hours a day.

During this year, we have successfully implemented Community Link workers into 3 separate General Practitioners (GP's) surgeries in Renfrewshire. Renfrewshire Health and Social Care Partnership has provided funding to enable this initiative. This involves 3 individuals relating directly with partners in health. We have seen a significant uptake from 'patients' and we are gratified at the positive relationships which have developed between GP staff and RAMH 'Community Link Workers'. This initiative clearly reflects the organisations principle objectives, "To promote mental health services within the framework of recovery and support, which will reinforce hope, respect and equality to an individual's needs, by enabling an individual to live personally fulfilling and rewarding lives within their community". We will use data to monitor our involvement and outcomes. Thus far, we have seen quantifiable analysis which shows reduced need to visit GP's, through our involvement.

# RAMH

## Directors' Annual Report for the year ended 31 March 2016

### **Main activities in the year and how these relate to the purpose (continued)**

Our focus on Self-Management has been recognised through extended funding to promote Peer Involvement. During 2015/16, we received support to extend for a further 3-5 years from 'The Alliance'. This development will enable RAMH to build on a successful 'pilot', to encourage individuals to assert more choice and control over their lives. This process is supported in general by acknowledging the vital role which volunteers play in enabling the company to support service aspirations. This again links directly into RAMH's objectives.

We continue to promote awareness of the potentially destructive impact of Isolation, Loneliness and general lack of Social Connectedness. We are encouraged that statutory partners have increased their focus on how poor social connections can undermine an individual's resilience and how, without positive intervention and support, this places damaging limitations on personal satisfaction and ultimately, life expectancy.

We continue to build on positive physical activity as an adjunct to good mental health, not just for service beneficiaries, but also amongst our staff and volunteers.

The organisation tendered to develop our Community Services in Renfrewshire and are positive about a successful outcome.

We continue to develop and evolve our data management system, "Nebula" as a means of monitoring our interventions and qualifying our outcome measurements. We augment this empirical approach with personal reflections from people who have used our service, to give a real life perspective of what mental health recovery means to individuals.

We continue to allocate a proportion of donated income to a 'Hardship Fund' for service beneficiaries. Staff are encouraged to consider if extreme extenuating financial circumstances cause such distress that individuals are significantly at risk. A typical example would involve an immediate need for £20 for basic food / heating where benefit sanctions have been applied on a Friday.

Volunteer involvement remains a fundamental component of how the organisation relates to beneficiaries. This extends from fundraising opportunities, to support in maintaining practical interventions. Support to a Saturday football group or evening social group are examples of how volunteers play a vital role in the organisation.

As noted in our Risk Management summary, the Trustees remain concerned at the issue of funding for essential services. The organisation has experienced a further year where central funding, from statutory sources has remained static.

The Trustees are keen to see how the development of Health and Social Care Partnerships will impact on the organisation, given that, historically, NHS funding has formed a relatively small proportion of the organisation's income.

During the year to 31 March, 2016, the Trustees were pleased to be able to confirm a pay award to staff. This was on the basis of a 'one off' award. It is an aspiration to recognise staff in this way on a recurring basis.

### **Funding**

The Trustees remain concerned at the issue of funding for essential services on the basis of Full Cost Recovery. The Trustees take the view that it is not reasonable for charitable organisations such as RAMH to be expected to provide core funding to support the delivery of statutory funded initiatives. The organisation has experienced a further year where central funding, from statutory sources has remained static.

# RAMH

## Directors' Annual Report for the year ended 31 March 2016

### **Funding (continued)**

The Trustees are keen to see how the development of Health and Social Care Partnerships will impact on the organisation given that historically, NHS funding has formed a relatively small proportion of the organisation's income.

The Trustees are pleased that the organisation has a small surplus as of 31 March 2016.

However, they are concerned that continued austerity measures from central government will have a detrimental impact on the ability of the organisation to manage increased demand from static or diminished funding and how this may reflect on staff retention and recruitment.

### **Future plans**

The organisation will develop Community Link roles in association with East Renfrewshire Health and Social Care Partnership, by placing staff in GP related facilities across East Renfrewshire. This relates to the authorities' plans to develop local 'HUB' resources. It also supports RAMH's vision of enabling individuals to access support in their local communities, whilst minimising the destructive elements of loneliness and isolation.

The Chief Executive is working with partners in East Renfrewshire Health and Social Care Partnership as well as other 3rd sector agencies, in developing a Public Social Partnership to develop Mental Health services in the locality.

The organisation has plans to relocate a number of service provisions from current facilities into more central locations. We are looking to do this wherever possible in association with likeminded partners.

The Trustees are positively minded to develop the Social Business potential of the Lifeskills service, building on the increased footfall which followed from relocation during the year. The Trustees look forward to proposals which will see a development of retail opportunities.

The Trustees are aware of recent Scottish Government announcements which recommend that 'Fair Working Practices' (Scottish Living Wage) is implemented across adult Health and Social Care staff by 1 October, 2016. The Trustees are concerned that insufficient consideration has been given to the impact this will have on RAMH. The Trustees are particularly concerned that there is a lack of robust intelligence upon which this pronouncement has been made. The Trustees wish to make clear that they are fully supportive of the principle of conforming to the Scottish 'Living Wage', but adequate support must be forthcoming from central government to enable this aspiration to be realised. The Trustees have communicated their views to senior Government Ministers.

The impact of austerity is likely to be most obvious in how it affects the client base of RAMH and the additional pressure placed on individuals who aspire to strive within the context of hardship.

The Trustees maintain a Risk Register, to help anticipate potential or actual risks, and to use this intelligence to mitigate, minimise or avoid the consequential danger to the organisation, its staff or beneficiaries.

### **Financial review**

The charity reported a surplus in the year of £8,502 (2015: deficit £3,288) and has accumulated reserves of £641,169 (2015: £632,667). This includes restricted funds totalling £395,228 (2015 £392,016) and unrestricted funds of £245,941 (2015 £240,651). Full details of these funds are provided in the notes to the Financial Statements.



# RAMH

## Directors' Annual Report for the year ended 31 March 2016

### Reserves policy

It is the policy of the charity to build and maintain unrestricted general funds at a level to provide sufficient funds to cover three months running costs together with adequate funds to fulfil agreements under lease and similar contracts. These would be called upon should the charity find itself subject to an unexpected drop in the level of annual funding, or exposed to higher than budgeted project expenditure.

At 31 March 2016 unrestricted funds did not meet this target. Although the charity did not meet the target reserve level, the Trustees believe that the charity's operational structure and the nature of its activities allows the charity to adapt reasonably quickly to changes in circumstances. The Board and Senior Management Team are acutely aware of the ongoing challenges impacting the charity, some of which are detailed within our risk management section, and monitor these very closely.

In order to improve the charity's reserves, the Trustees are continually exploring new initiatives to generate additional unrestricted income. However, in the current economic climate, where services are delivered at fixed price and other income generation opportunities are limited, the Trustees appreciate that this is a very difficult task.

### Auditors

A resolution proposing Alexander Sloan, Chartered Accountants, be re-appointed as Auditors of the charitable company will be put to the Annual General Meeting.

### Small company provisions

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

This report was approved by the Directors on 19 September 2016 and signed on their behalf by:

**Norman Murray**  
Director and Chairperson



**Stephen McLellan**  
Company Secretary



**Registered office:**  
41 Blackstoun Road  
Paisley  
Renfrewshire  
PA3 1LU

# RAMH

## Independent Auditor's Report to the Members and Trustees of RAMH

We have audited the financial statements of RAMH for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2016) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's Members and the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its Members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out in the Directors' Annual Report), the Directors (who are also the Trustees of the charity for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as Auditor under Section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

# RAMH

## Independent Auditor's Report to the Members and Trustees of RAMH

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

In respect of the following matters the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law were not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Annual Report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

*A. Devine*

**Allison Devine CA, (Senior Statutory Auditor)  
for and on behalf of  
Alexander Sloan  
Chartered Accountants and Statutory Auditor  
38 Cadogan Street  
Glasgow  
G2 7HF**

Date : 22/9/2016

Alexander Sloan is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

# RAMH

## Statement of Financial Activities for the year ended 31 March 2016

	Notes	2016			2015
		Restricted funds £	Unrestricted funds £	Total funds £	Total funds £
<b>Income from:</b>					
Donations and legacies	4	-	43,405	43,405	6,449
Investments	5	-	3,241	3,241	2,641
Charitable activities	6	3,399,908	63,864	3,463,772	3,426,655
<b>Total income</b>		<u>3,399,908</u>	<u>110,510</u>	<u>3,510,418</u>	<u>3,435,745</u>
<b>Expenditure on:</b>					
Charitable activities	7	3,348,666	153,250	3,501,916	3,439,033
<b>Total expenditure</b>		<u>3,348,666</u>	<u>153,250</u>	<u>3,501,916</u>	<u>3,439,033</u>
<b>Net income/(expenditure)</b>		51,242	(42,740)	8,502	(3,288)
<b>Transfers between funds</b>	14	<u>(48,030)</u>	<u>48,030</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		3,212	5,290	8,502	(3,288)
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<u>392,016</u>	<u>240,651</u>	<u>632,667</u>	<u>635,955</u>
<b>Total funds carried forward</b>		<u><u>395,228</u></u>	<u><u>245,941</u></u>	<u><u>641,169</u></u>	<u><u>632,667</u></u>

The Statement of Financial Activities includes all gains and losses in the year.  
All income and expenditure derives from continuing activities.

The notes on pages 12 to 20 form part of these financial statements

# RAMH

## Balance Sheet as at 31 March 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	9		149,965		167,683
<b>Current assets:</b>					
Debtors	10	363,576		252,884	
Investments	11	400,000		300,000	
Cash at bank and in hand		209,728		241,813	
		<u>973,304</u>		<u>794,697</u>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	12	<u>482,100</u>		<u>329,713</u>	
<b>Net current assets</b>			491,204		464,984
<b>Total net assets</b>			<u><u>641,169</u></u>		<u><u>632,667</u></u>
<b>The funds of the charity:</b>					
	14				
Restricted income funds			395,228		392,016
Unrestricted funds			<u>245,941</u>		<u>240,651</u>
			<u><u>641,169</u></u>		<u><u>632,667</u></u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015). These financial statements were approved and authorised for issue by the Directors on 19 September 2016 and are signed on their behalf by:

Norman Murray  
Chairperson



Company Registration Number SC141458

The notes on pages 12 to 20 form part of these financial statements

# RAMH

## Notes to the financial statements for the year ended 31 March 2016

### 1. Accounting policies

#### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention and where appropriate modified to include the revaluation of certain fixed assets and in accordance with the Charities Statement of Recommended Practice - applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015) (FRSSE SORP), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### 1.2. Reconciliation to previous Generally Accepted Accounting Practice

In preparing the accounts, the directors have considered whether, in applying the accounting policies required by the FRSSE SORP, a restatement of comparatives was needed. No reinstatements to the charitable company's Balance Sheet at 1 April 2014 or 31 March 2015 is required on transition to the FRSSE SORP.

#### 1.3. Income

Donations and legacies are recognised where there is entitlement, where receipt is probable and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

Income from charitable activities includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Income from charitable activities is recognised as earned (as the related goods or services are provided).

#### 1.4. Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

Support costs are incurred supporting the charity's activities and include expenditure associated with administrative and finance functions, business support, HR, IT and governance. These support functions are shared across the charity's activities and are apportioned across those activities in order to arrive at the full cost for each reported activity. The method of apportionment adopted by the charity are outlined in the notes to the financial statements.

Governance costs (which are included as a component of support costs in accordance with SORP) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny, and other legal and professional fees.

# RAMH

## Notes to the financial statements for the year ended 31 March 2016

### 1. Accounting policies (continued)

#### 1.5. Taxation

The company is a registered Scottish Charity and is not liable to United Kingdom Corporation Tax or Capital Gains Tax on its charitable activities. The company is not registered for VAT.

#### 1.6 Fixed assets

All fixed assets are initially recorded at cost. From 1 April 2009, the threshold for capitalising individual items was increased from £500 to £5,000. Additions below this are expensed in the year of acquisition. The directors amended the policy on the basis items costing less than £5,000 are generally consumed by the charity over a short period of time. For specific projects approved by the Directors for software development and associated costs, these should be expensed rather than capitalised due to the uncertainty of the outcomes and the lifespan of the project.

##### 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:

Heritable property	Over 50 years straight line
Leasehold Improvements	Over the term of the lease
Fixtures & equipment	Over 5 years straight line
Motor vehicles	Over 4 to 5 years straight line

#### 1.7. Debtors

Debtors are measured at their recoverable amounts, being the amount the charity anticipates it will receive in settlement of the debt.

Prepayments are valued at the amount prepaid at the reporting date.

#### 1.8. Current asset investments

This includes cash on deposit and cash equivalents with a maturity of less than one year held for investment purpose rather than to meet short-term cash commitments as they fall due.

#### 1.9. Cash and Cash Equivalents

Cash at bank and cash 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.

#### 1.10. Creditors

Creditors are recognised where the charity 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 trade discounts due.

#### 1.11 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

# RAMH

## Notes to the financial statements for the year ended 31 March 2016

### 1. Accounting policies (continued)

#### 1.12 Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable during the year are charged to the statement of financial activities.

#### 1.13 Fund accounting

Funds held by the charity are either:

Restricted funds - these are funds that 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.  
or

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Directors.

### 2. Net income/(expenditure)

Net incoming resources / (resources expended) for the year are stated after charging:-

	2016	2015
	£	£
Depreciation of owned fixed assets	17,718	18,170
Gain on sale of owned fixed assets	-	(2,600)
Auditor's remuneration	10,951	10,838
Operating lease costs:		
Land and buildings	67,035	58,820
Equipment	11,800	8,540

### 3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2016	2015
	No	No
Number of carers	158	164
Number of administrative staff	29	22
	<u>187</u>	<u>186</u>

The aggregate payroll costs of the above were:

	2016	2015
	£	£
Wages and salaries	2,653,444	2,606,876
Social security costs	185,788	180,956
Pension costs	117,402	111,861
	<u>2,956,634</u>	<u>2,899,693</u>

No employee had emoluments in excess of £60,000 (2015: £nil).



# RAMH

## Notes to the financial statements for the year ended 31 March 2016

### 3. Particulars of employees (continued)

#### Pension Costs

The pension charge represents contributions due from the charity during the year and amounted to £117,402 (2015: £111,861). Pension contributions outstanding at the year end totalled £9,466 (2015: £8,791).

### 4. Donations and legacies

	2016	2015
	£	£
Donations	43,405	6,449

### 5. Income from investments

	2016	2015
	£	£
Bank interest received	3,241	2,641

### 6. Income from charitable activities

	Restricted funds £	Unrestricted funds £	Total funds 2016 £	Total funds 2015 £
<b>Grant &amp; service contract income</b>				
Accommodation Support	2,109,153	-	2,109,153	2,048,340
Direct Care	901,225	-	901,225	885,712
Awareness and Information	271,197	-	271,197	216,926
Counselling	118,333	-	118,333	186,105
	<u>3,399,908</u>	-	<u>3,399,908</u>	<u>3,337,083</u>
<b>Other income from activities</b>				
Property rental	-	3,621	3,621	22,266
Sundry income	-	60,243	60,243	67,306
	<u>3,399,908</u>	<u>63,864</u>	<u>3,463,772</u>	<u>3,426,655</u>

### 7. Expenditure on charitable activities

	Staff costs £	Other direct costs £	Support costs £	Total 2016 £	Total 2015 £
<b>Restricted Funds:</b>					
Accommodation Support	1,787,880	175,141	171,157	2,134,178	2,127,205
Direct Care	630,975	143,630	64,512	839,117	832,612
Awareness and Information	201,564	52,168	21,310	275,042	202,766
Counselling	83,461	9,072	7,796	100,329	154,597
	<u>2,703,880</u>	<u>380,011</u>	<u>264,775</u>	<u>3,348,666</u>	<u>3,317,180</u>
<b>Unrestricted Funds:</b>					
Administration	-	-	153,250	153,250	121,853
	<u>2,703,880</u>	<u>380,011</u>	<u>418,025</u>	<u>3,501,916</u>	<u>3,439,033</u>

## RAMH

### Notes to the financial statements for the year ended 31 March 2016

#### 8. Analysis of support costs

	Staff costs £	Premises costs £	Administrative costs £	Governance costs £	Total 2016 £	Total 2015 £
Accommodation Support	155,887	7,390	6,776	1,104	171,157	181,474
Direct Care	52,550	6,048	5,274	640	64,512	64,323
Awareness and Information	16,908	1,672	2,579	151	21,310	12,030
Counselling	7,032	176	414	174	7,796	12,685
Administration	98,296	18,663	31,269	5,022	153,250	121,853
	<u>330,673</u>	<u>33,949</u>	<u>46,312</u>	<u>7,091</u>	<u>418,025</u>	<u>392,365</u>

The allocation of support costs across the different activities of the charity includes an element of judgement and the Directors have had to consider the cost benefit of detailed calculations and record keeping. The allocations shown are therefore the best estimate of the costs incurred in providing IT, payroll, finance and administration and other central services for the organisation. Cost allocation has been attributed on the basis of the estimated time spent on each activity or, if this is not appropriate, then on a basis consistent with the use of resources.

#### 9. Tangible fixed assets

	Heritable property £	Leasehold Improvements £	Fixtures & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At beginning of the year	155,901	90,271	179,902	38,861	464,935
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At end of the year	<u>155,901</u>	<u>90,271</u>	<u>179,902</u>	<u>38,861</u>	<u>464,935</u>
<b>Depreciation</b>					
At beginning of the year	31,717	76,597	178,179	10,759	297,252
Released on disposals	-	-	-	-	-
Charge for the year	3,201	4,525	1,723	8,269	17,718
At end of the year	<u>34,918</u>	<u>81,122</u>	<u>179,902</u>	<u>19,028</u>	<u>314,970</u>
<b>Net book value</b>					
At end of the year	<u>120,983</u>	<u>9,149</u>	<u>-</u>	<u>19,833</u>	<u>149,965</u>
At beginning of the year	<u>124,184</u>	<u>13,674</u>	<u>1,723</u>	<u>28,102</u>	<u>167,683</u>

#### 10. Debtors

	2016 £	2015 £
Debtors	304,311	205,714
Prepayments	59,265	47,170
	<u>363,576</u>	<u>252,884</u>

# RAMH

## Notes to the financial statements for the year ended 31 March 2016

### 11. Investments

	2016	2015
	£	£
Treasury deposits	<u>400,000</u>	<u>300,000</u>

### 12. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Creditors	108,685	62,749
Accruals	177,101	80,744
Deferred income (refer to note 13)	141,136	130,855
PAYE and social security	45,712	46,574
Pension contributions outstanding	9,466	8,791
	<u>482,100</u>	<u>329,713</u>

### 13. Deferred income

	At beginning of the year	Received in year	Released in year	At end of the year
	£	£	£	£
<b>Grant &amp; Service Contract income</b>				
Direct Care	107,565	106,486	(125,465)	88,586
Awareness and Information	23,290	99,459	(71,549)	51,200
Other grants		1,800	(450)	1,350
	<u>130,855</u>	<u>207,745</u>	<u>(197,464)</u>	<u>141,136</u>

Income has been deferred where :

- a) Grant and contract income is subject to performance-related conditions and has been received in advance of delivering these services. The income will be released in the reporting period in which the performance conditions have been met, which is expected to be 2016/17.
- b) Imposed conditions specify the time period over which the expenditure of resources on the funded service can take place.

## RAMH

### Notes to the financial statements for the year ended 31 March 2016

14. Funds	At beginning of the year £	Incoming resources £	Outgoing resources £	Transfers £	At end of the year £
<b>Restricted Funds</b>					
Accommodation Support	29,781	2,109,153	(2,134,178)	5,607	10,363
Direct Care	144,590	901,225	(839,117)	(21,805)	184,893
Awareness and Information	107,596	271,197	(275,042)	2,154	105,905
Counselling	110,049	118,333	(100,329)	(33,986)	94,067
	<u>392,016</u>	<u>3,399,908</u>	<u>(3,348,666)</u>	<u>(48,030)</u>	<u>395,228</u>
<b>Unrestricted Funds</b>					
RAMH Core	190,294	110,510	(153,250)	48,030	195,584
RAMH Contingency	50,357	-	-	-	50,357
	<u>240,651</u>	<u>110,510</u>	<u>(153,250)</u>	<u>48,030</u>	<u>245,941</u>
<b>Total funds of the charity</b>	<u><u>632,667</u></u>	<u><u>3,510,418</u></u>	<u><u>(3,501,916)</u></u>	<u><u>-</u></u>	<u><u>641,169</u></u>

#### 14.1 Purpose of restricted funds

##### 14.1.1 Accommodation Support

All funds prior to the Scottish Concordat agreement with local authorities, designated as Supporting People, or contract income and related expenditure are recorded through this restricted fund.

##### 14.1.2 Direct Care

Income is generated primarily from local authority contracts and costs are incurred to enable services to engage in activities and therapy as defined in respective service level agreements.

##### 14.1.3 Awareness and Information

This fund represents all income from local authority and NHS agreements, and outgoing resources recorded in connection to the provision of signposting and information services.

##### 14.1.4 Counselling

Funds are received from local authority contracts and are expended in the provision and furtherance of Adult and Youth counselling services.

#### 14.2 Purpose of unrestricted funds

##### 14.2.1 RAMH Core

The RAMH Core fund is the general unrestricted fund of the organisation which represents the free reserves of the charity which the Directors are free to use in furtherance of the charitable objectives of the charity.

#### 14.3 Transfers between funds

Transfers are made:

- a. From unrestricted funds to restricted funds where the contract income received for a service is insufficient to meet the costs of delivering that service. A transfer is made from core funds to cover any deficit incurred on a restricted fund unless further funding has been agreed to cover the shortfall.
- b. From restricted funds to unrestricted funds only where surpluses on restricted income projects have arisen wholly as a result of internal efficiencies within the organisation and which are not repayable to any funder as the contracted service / hours have been delivered in full. In the interest of prudence the Directors allow a 3 year period to pass before approving any transfer to ensure that no claw-back will be sought.

## RAMH

### Notes to the financial statements for the year ended 31 March 2016

#### 15. Analysis of net assets between funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fund balances at the end of the year are represented by:			
Fixed assets	-	149,965	149,965
Current assets	872,279	101,025	973,304
Current liabilities	(477,051)	(5,049)	(482,100)
<b>Total</b>	<b>395,228</b>	<b>245,941</b>	<b>641,169</b>

#### 16. Commitments under operating leases

At the end of the year the charity had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings		Other operating leases	
	2016 £	2015 £	2016 £	2015 £
Operating leases which expire:				
Within 1 year	12,750	10,890	2,173	2,173
Within 2 to 5 years	15,000	22,500	8,540	8,540
After more than 5 years	-	-	-	-
	<b>27,750</b>	<b>33,390</b>	<b>10,713</b>	<b>10,713</b>

#### 17. Transactions with directors

No Director received remuneration, payments for services or any expenses during the year (2015 - £nil).

During the year, RAMH paid Total Accounting Ltd £460 for the provision of payroll services.

The Director of Total Accounting Ltd., Euan Brown, is the son of Alistair Brown, who is a Director of RAMH.

At the year end there was no balance outstanding to Total Accounting Ltd, nor was there in the prior financial year.

# RAMH

## Notes to the financial statements for the year ended 31 March 2016

### 18. Prior year analysis of income and expenditure

In accordance with the Charities Statement of Recommended Practice, comparatives for each class of funds are required for each line on the Statement of Financial Activities (SOFA). The note below illustrates the SOFA for the year ended 31 March 2015.

#### Statement of Financial Activities for the year ended 31 March 2015

	Restricted funds £	Unrestricted funds £	Total funds £
<b>Income and endowments from:</b>			
Donations and legacies	-	6,449	6,449
Investments	-	2,641	2,641
Charitable activities	3,337,083	89,572	3,426,655
<b>Total income</b>	<u>3,337,083</u>	<u>98,662</u>	<u>3,435,745</u>
<b>Expenditure on:</b>			
Fundraising activities	-	-	-
Charitable activities	3,317,180	121,853	3,439,033
<b>Total expenditure</b>	<u>3,317,180</u>	<u>121,853</u>	<u>3,439,033</u>
<b>Net income/(expenditure)</b>	19,903	(23,191)	(3,288)
<b>Transfers between funds</b>	<u>37,262</u>	<u>(37,262)</u>	<u>-</u>
<b>Net movement in funds</b>	57,165	(60,453)	(3,288)
<b>Reconciliation of funds</b>			
<b>Total funds brought forward</b>	<u>334,851</u>	<u>301,104</u>	<u>635,955</u>
<b>Total funds carried forward</b>	<u><u>392,016</u></u>	<u><u>240,651</u></u>	<u><u>632,667</u></u>