



Changing the Chemistry SCIO

Scottish charity no. SC045519

ANNUAL REPORT OF THE TRUSTEES

PERIOD ENDED 31st MARCH 2017



Contents

Legal and administrative information	3
Trustees' Report	4
Trustees' Statement of Responsibilities	8
Independent Examiner's Report to the Trustees of Changing the Chemistry	9
Statement of Receipts and Payments	10
Statement of Balances	11
Notes to the Financial Statements	12



Legal and administrative information

Charity Name:	Changing the Chemistry (hereinafter referred to as CtC)	
Legal structure:	Scottish Charitable Incorporated Organisation (SCIO)	
Governing Document:	Constitution (dated 8th November 2016)	
Charity Number:	SC045519	
Chief Executive Officer	Tanya Castell (former Chair) APPOINTED 08/08/16	
Trustees:	Jenny Campbell	RETIRED 01/01/17
	Tanya Castell	
	Bonnie Clarke	RETIRED 20/06/16
	Roger Duerden (Treasurer)	
	Mary Duffy	RE-APPOINTED 21/06/16
	Michelle Fairfax	
	Julie-Anne Jamieson	
	Amanda Millar (Chair)	APPOINTED 21/06/16, CHAIR FROM 08/08/16
	Jane Richardson	
	Neil Stevenson	APPOINTED 21/06/16
	Karthik Subramanya	APPOINTED 21/06/16
	Janet Unsworth	
	Tania Watson	RETIRED 21/06/16
	Helen Wright	
Company Secretary:	Linda Coe	
Principal Office:	3a Dublin Meuse, Edinburgh EH3 6NW	
Bankers:	Co-operative Bank plc	
Independent Examiner:	Stephen Williams ACA	



Trustees' Report

The Trustees present their Report and Accounts together with the independent examiner's report, for the period 1st April 2016 to 31st March 2017. The accounts have been prepared in accordance with the accounting policies set out on page 12 and comply with the CtC Constitution and applicable law.

Structure, governance and management

Incorporation

The work of CtC began in August 2011, but it was incorporated as a Scottish Charitable Incorporated Organisation (SCIO), approved by the Office of the Scottish Charity Regulator (OSCR), on 27th March 2015.

Governing document

CtC was established by Constitution dated 27th March 2015 (amended 1st October 2015, 21st June 2016 and 8th November 2016).

Recruitment, appointment and training of trustees

Trustees are elected by the members or co-opted to the board in accordance with the Constitution. Trustees are experienced individuals and have a good understanding of what is involved in being a trustee of a charity.

CtC is committed to supporting the trustees to enhance their skills and knowledge further, to improve the effectiveness of the board and increase the collective expertise within the organisation. The board received training in October 2016 on Data Protection from Scotland's Information Commissioner's Office. In February 2017, trustees attended a two-day residential workshop, focusing on developing a shared language to support and challenge one another, with a view to developing the board as a team and enabling trustees to work together more effectively to build on the organisation's success within an appropriately governed framework. Both of these training events were attended by the majority of trustees and provided new knowledge and skills that will enhance the overall governance and strategic development of the organisation in line with its objectives.

Trustees' remuneration

The trustees receive no remuneration from CtC. However certain expenses are reimbursed in accordance with CtC's expenses policy.

Organisational structure

All strategic decisions affecting CtC are undertaken by the board of trustees. From August 2016 onwards, the board has met quarterly, but met seven times in total during the period. As the organisation has developed to a more standard operational model, operational support has been moving to member working groups, reporting into the CEO, with additional support from the board sub-committees. The *Developing the Members* and *Operations* committees were disbanded during the period, although the *Broadening the Membership* and *Influencing Others* committees are still meeting. From August 2016, the operational management of the charity has been led by the part-time voluntary Chief Executive Officer. CtC had no employees during the period as activities are carried out by member volunteers.



The membership of the organisation grew from 171 to 266 over the period and, as planned, a new operational structure was put in place to meet the increasing demand to deliver CtC's charitable objectives and meet the needs of members.

Risk management

CtC has implemented a risk management policy, and in accordance with that, have considered the major risks to which CtC is exposed. The board has reviewed those risks and established action plans or introduced appropriate mitigation to address them where required.

Objectives and activities

CtC is established for charitable purposes only, and in particular, the promotion of equality and diversity by:

- promoting diversity on governing bodies of all organisations in the public, private and third sectors;
- supporting people from under-represented populations in obtaining positions on governing bodies;
- supporting governing bodies in recruiting members from underrepresented groups;
- supporting members of governing bodies in the performance of their duties; and
- supporting governing bodies in the quality of decision making.

For as long as CtC is entered on the Scottish Charity Register, its purposes may only be altered with the prior consent of the Office of the Scottish Charity Register (OSCR) and in accordance with any conditions attached to such consent.

CtC works to meet these objectives by operating as a voluntary peer support network, headquartered in Scotland, that seeks to improve board effectiveness by increasing diversity of thought on boards of organisations operating in all sectors of the economy. This is done by helping those from diverse backgrounds secure board roles, by supporting those on boards to perform in those positions and providing support to those organisations who want to improve their board's diversity.

The activity of CtC is to further these objectives and to apply capital or income for such charitable purposes as the trustees in their absolute discretion think fit. The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing CtC's aims and objectives and in planning future activities.

CtC has delivered its objectives through three strategic areas of focus. The strategic aims are:

1. to develop CtC's members (to help members into board roles and to perform once appointed to a board position)
2. to broaden CtC's membership (to ensure that CtC has a truly diverse membership)
3. to influence others (to spread the messages about the benefit of having diverse boards and the barriers to a truly meritocratic recruitment process e.g. unconscious bias and helping boards become more diverse).

Achievements and performance

CtC has continued to make great progress in delivering the three-year strategy agreed with members in 2015 through the three strands of focus outlined above. At the same time, a major focus of the year was



to move the charity to a more standard operating model to involve more members in the delivery of CtC's activities. There are now over forty members involved in some way in helping to deliver CtC's activities, all on a voluntary basis. The contribution made by volunteers (mostly CtC members but also many others) was essential in enabling CtC to undertake its activities. In addition to giving their time to assist with administration, event organisation, member support and recruitment, they also freely gave their professional expertise and provided venues for CtC meetings and events. The number of volunteer hours contributed by the Trustees alone exceeded 1,600 for the year.

The other major operational change has been to the infrastructure used to enable the peer support network to operate more effectively. This has been a huge challenge and has taken much longer and involved more resource than originally envisaged, and work is still ongoing to ensure that all members are using the new system.

Developing the Members: In the last year, more than forty board roles have been filled by CtC members across all sectors. There have been eight *Target Group* meetings (for those seeking NED roles) and six *Graduate Group* meetings (for those with board roles). CtC also ran a pilot of five sessions for new members on How CtC Works, which has now been introduced formally. This is further supported by regular communications to the membership which are now issued monthly. More formal education in board-related matters has been organised by the Events Team, which has run a successful event programme including *Board Journeys*, *Finance in the Board Room*, and *What Investors Expect from Boards*. In all, there have been ten such events in the Central Belt, and the Highlands Group organised four formal sessions and one for all local members. This was in addition to two large events for all members (run after the AGM and EGM) and CtC's support at three events co-hosted with the Scottish Government Public Appointments (SGPA) team.

Broadening the Membership: CtC has been collaborating with the SGPA team and other organisations (eg. Council of Ethnic Minority Voluntary Associations) to reach out to a wider spectrum of individuals who could play a valuable role on boards. This is beginning to have an impact, although further work is now required to revise the CtC survey to enable this to be measured.

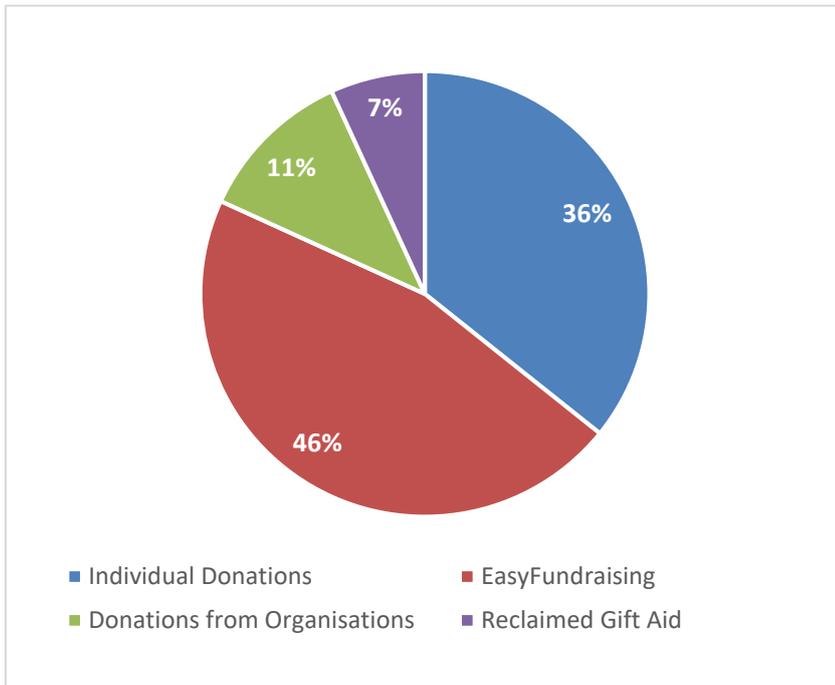
Influencing Others: The CtC trustees and other members continue to spread the word on the benefits of board diversity and the barriers to achieving this. In addition to both the CEO and other trustees speaking at a range of external events and the board providing feedback on board diversity consultations, CtC members have been involved in a variety of activities including delivering workshops at conferences, speaking on diversity panels and advising boards on how to become more diverse.



Financial review

The Trustees consider that the net outgoing resources for the period of £4,416 was reasonable in view of the operation and nature of CtC. CtC manages its accounts on a receipts and payments basis. At 31st March 2017, CtC had unrestricted funds of £696.07 and restricted funds of £2,479.47; there were no outstanding debtors, creditors or pending financial commitments.

The chart below summarises the principal sources of income during the period.



Reserves policy

The Trustees have considered the purpose and size of retained income, and have set a policy of maintaining reserves equivalent to three months' normal operating costs. In view of the future expenditure commitments and the anticipated further commitments to be entered into shortly, the current level of reserves is considered to be appropriate. In reaching this conclusion the Trustees had regard to expected future income.

Approved by the Board of Trustees and signed on its behalf by

Amanda Millar

31st May 2017



Trustees' Statement of Responsibilities

The trustees are responsible for preparing and approving the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of CtC's Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Independent Examiner's Report to the Trustees of Changing the Chemistry

I report on the accounts of CtC for the period 1st April 2016 to 31st March 2017, comprising the statement of receipts and payments, the statement of balances and the related notes 1 to 4.

This report is made solely to the trustees of CtC, as a body, in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than CtC and its trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that the audit requirement of regulation 10 (1)(d) of the 2006 Regulations does not apply and that an independent examination is needed. The charity is preparing accounts on a Receipts and Payments basis and I am qualified to undertake the examination by being a qualified member of ICAEW.

It is my responsibility to examine the accounts as required under section 44 (1)(c) of the 2005 Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

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)(c) of the 2005 Act and regulation 4 of the 2006 Regulations
 - to prepare accounts which accord with the accounting records and to comply with regulation 8 of the 2006 Regulationshave not been met; or
- 1) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Stephen Williams, ACA

31st May 2017



Statement of Receipts and Payments (period 1st April 2016 to 31st March 2017)

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
RECEIPTS					
Voluntary income (donations)		1,026	-	1,026	1,956
Grants		-	-	-	10,000
Investment income		-	-	-	-
Reclaimed Gift Aid		75	-	75	-
TOTAL RECEIPTS	4	1,101	-	1,101	11,956
PAYMENTS					
Operational costs	2	624	3,446	4,070	5,157
Governance costs	3	346	-	346	309
TOTAL PAYMENTS	4	970	3,446	4,416	5,466
SURPLUS FOR THE PERIOD		131	(3,446)	(3,315)	6,490
Fund balances brought forward		565	5,925	6,490	-
Fund balances carried forward	4	696	2,479	3,175	6,490

All the above results derive from continuing operations.



Statement of Balances (as at 31st March 2017)

	Note	31 March 2017 £	31 March 2016 £
FIXED ASSETS			
Tangible fixed assets		-	-
		-	-
CURRENT ASSETS			
Bank accounts		3,175	6,490
NET CURRENT ASSETS		3,175	6,490
FUNDS			
Unrestricted funds	4	696	565
Restricted funds	4	2,479	5,925
TOTAL FUNDS	4	3,175	6,490

These financial statements of Changing the Chemistry SCIO, registered no. SC045519, were approved by the board of trustees and authorised for issue on 23rd May 2017.

Roger Duerden

31st May 2017



Notes to the Financial Statements (continued)

Period ended 31st March 2017

1. Accounting policies

Basis of preparation

The financial statements have been prepared on the Receipts and Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

CtC has sufficient liquid assets and only commits to expenditure that is within its financial resources. The Trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements, and are satisfied that CtC will be able to meet all its financial commitments. After making enquiries, the Trustees have a reasonable expectation that CtC has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in the preparation of these financial statements.

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of CtC without a specified purpose, and which are available for use at the discretion of the trustees.

Restricted funds

Restricted funds represent donations or grants received which are allocated by the donor or grant body for specific purposes.

Incoming resources

All income is recognised in the statement of financial activities when received.

Resources expended

Resources expended are recognised in the period in which they are paid.

Governance costs comprise administration costs and legal and professional fees for the running of CtC itself as an organisation.

Taxation

The entity is a registered charity and has no trading income, and is therefore exempt from taxation.

Cash flow statement

The Charity is exempt from the requirement to include a cash flow statement as part of its financial statements.



2. Operational costs

	2017	2016
	£	£
IT charges	489	557
Telephone charges	176	-
Marketing and PR	120	-
Vehicle costs	85	
Professional fees	3,200	4,600
	<u>4,070</u>	<u>5,157</u>

3. Governance and employee costs

Public liability and trustee indemnity insurance was purchased during the period.

CtC had no employees throughout the period. The trustees received no remuneration during the period, although expenses totalling £148.66 were refunded to trustees.

4. Statement of funds

	Balance 31 st March 2016 £	Income £	Expenditure £	Balance 31 st March 2017 £
Restricted funds	5,925	-	3,446	2,479
Unrestricted funds	565	1,101	970	696
Total funds	<u>6,490</u>	<u>1,101</u>	<u>4,416</u>	<u>3,175</u>

Expenditure from the restricted funds related to money spent on public relations activity (CtC's attendance at the Herald and GenAnalytics Diversity Awards 2016 event), and payments made to a consultant project manager for work on policies and infrastructure as part of a short-term contract that began in the previous period.