

TREASURER'S REPORT

The audited accounts have been circulated. As can be seen from the Income and Expenditure Account, we have ended the year with a surplus of £104,522. This represents a change from last year where a deficit of £13,494 was incurred.

The Balance Sheet discloses that with the accumulated surplus brought forward, the balance of assets over liabilities, stands at £191,661.

The euphoria which figures like that may excite should be tempered by the following facts:

- (a) The income this year was artificially inflated by a number of our funders paying out at or near the year end;
- (b) Much of the income is generated by training and other "non core" activities. Although diversification of activity is a healthy and desirable feature of any organisation, the effort required may not be sustainable, at least in terms of the physical ability of staff to deliver;
- (c) The income from the CRE is not expected to be repeated during the current financial year, as the CRE completes its move from Core Support to Project Funding;
- (d) Even after allowing for a significant increase in support from other core funders, notably Aberdeen City Council, Aberdeenshire Council, NHS Grampian and Grampian Police, the current year's budget currently projects a deficit. Given the size of our accumulated surplus, it is not an unmanageable deficit, but is not a sustainable situation in anything other than the short term.

On a more positive note, significant progress has been made with obtaining increased funding from the local bodies mentioned above, and I would wish to pay tribute to the efforts made by the two Local Authorities, Aberdeen City Council and Aberdeenshire Council, Grampian Police and NHS Grampian to "mainstream" their support of GREC. The Chairman's Report goes into this in more depth, but it is clear that, given the retreat from funding of the CRE, and the rise in workload experienced so far, and further anticipated by us all, further core funding is essential for GREC's future survival and prosperity.

In conclusion, it only remains for me to thank our Auditors for the efficient and professional way in which the Audit has been carried out, and especially to thank the GREC staff, especially Jackie, for their unflinching commitment and efficient stewardship of our funds.

Alan Grant
Treasurer