

Charity Registration No. SC045785 (Scotland)

ARRAN ECO SAVVY COMMUNITY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

ARRAN ECO SAVVY COMMUNITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Helen Ross - Chairperson
Hilary Maguire FCA - Treasurer
Elsa Rodeck
Donald McNicol
Pauline Robinson (Appointed 1 November 2020)
Patricia Templeton (Appointed 1 March 2021)
Diana Turbett (Appointed 1 May 2021)

Charity number (Scotland) SC045785

Principal address

Shore Road
Whiting Bay
Isle of Arran
KA27 8PR

Independent examiner

Montpelier Professional (Galloway) Limited
1 Dashwood Square
Newton Stewart
Wigtownshire
DG8 6EQ

Bankers

Charities Aid Foundation Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Royal Bank of Scotland
Brodict
Isle of Arran
KA27 8AP

ARRAN ECO SAVVY COMMUNITY

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ARRAN ECO SAVVY COMMUNITY

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their annual report and financial statements for the year ended 5 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity's objects are the advancement of environmental improvement on the Isle of Arran by identifying and accomplishing environmental projects, which benefit the local community, increase environmental sustainability and support sustainable living, whilst working towards zero waste for Arran.

The advancement of education by providing learning opportunities for vocational skills and training which are of benefit to all ages and abilities, increase employment opportunity and allow individual enhanced contribution towards improving lifestyles, the local environment and environmental sustainability.

Arran Eco Savvy Community organises community projects and workshops with the aim of achieving greater awareness on Arran and promotion of sustainable living. Through this the charity provides learning opportunities for skills in sustainable living which are of benefit to all ages and abilities.

Community volunteers, supported by a part time shop manager, run the shop where donated goods are sold to raise funds, reduce waste and promote sustainable living and greater environmental impact awareness on the Isle of Arran.

The team employed via the Climate Challenge Fund delivered energy saving, sustainable food and travel projects to the residents of Arran. They also raised awareness about climate literacy and enabled Arran residents to change to renewable solutions to reduce their carbon footprint, Eco Savvy is working towards projects involving renewable energy.

Charity trustees carry out an important role, mostly behind the scenes at Eco Savvy. We are volunteers too and take our role seriously. This often means plenty of work to ensure the organisation runs smoothly and achieves our objectives, however we have great fun and companionship along the way.

Thank you

A big thank you to all members, volunteers, staff, trustees and funders for making an enormous contribution to environmental sustainability and sustainable living on Arran this year and to the Arran Community for their ongoing support. Arran Eco Savvy has made a really big impact in 2020 and 2021 and the key achievements are set out in this report. Thanks to all who have contributed.

ARRAN ECO SAVVY COMMUNITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Achievements and performance

We focus projects on the following environmental areas by working with our communities :

A. Carbon Reduction

B. Energy

C. Food

D. Travel

E. Waste

Delivery is enabled through three main streams:

- Scottish Government Climate Challenge Fund projects being delivered since April 2017.
- The Eco Savvy Community Shop- an eco products & second hand shop based in Whiting Bay, running since 19 April 2014.
- Volunteer Support project through Impact Funding Partners, providing more opportunities for new willing volunteers with training and support from the Volunteer Coordinator

Challenges and Constraints

It is important to acknowledge our challenges and constraints.

- The Coronavirus Covid 19 pandemic affected the delivery of all projects and services following a 'Stay at Home' order announced by the Scottish Government on 23 March 2020. This led to 'non-essential' work closing and to limited movement in order to stop the transmission of the virus - referred to as the UK lockdown. We therefore started the beginning of the financial year with a situation where the shop had to close for much of the time, and all project staff and volunteers had to adjust to working through social media rather than through meetings and events in person.
- Emma Tracey – from our Savvy Travel Team, went on maternity leave from the 21st of May until 1 January 2021 to have the first Eco Savvy baby! Great news for mother and baby and requiring some reorganisation on our part.

Thanks to Andrew for stepping up to the challenge of taking on more of the work to ensure the active travel work was a success in the interim and to Emma for her flexible approach.

It is a credit to our flexible and imaginative staff and volunteers that Eco Savvy adapted well to the challenges. Thankyou!

Scottish Government Climate Challenge Fund projects

Arran Eco Savvy was awarded a grant from the Scottish Government's Climate Challenge Fund In April 2019 to deliver a 2 year Sustainable Island Life Project, continuing grant focus on energy efficiency, but targeting two other low carbon strands: travel and food.

The project empowered residents to adopt lower carbon behaviours in these areas, through a range of activities and educational materials, from borrowing E-Bikes to food preservation cooking workshops. The project was delivered by a team of six: a full time Project Manager, an Energy Auditor, a part-time Project Administrator and Coordinator, a part time Savvy Travel Coordinator and a part time Sustainable Food Coordinator.

Climate Challenge Fund Projects' Headline Achievements for the total project were as follows:

Engagement with the Arran Community to deliver the projects covering all areas (waste included in A to D):

291 Community Events and workshops held including Food Shares
3,374 people actively engaged in the project
1,540 people participated in Savvy Film Club
19,496 volunteer hours clocked
All 8 island schools participating in project activity.
278 eco pledges made
85 project newsletters produced
130 residents actively involved in sustainable food and travel programmes

ARRAN ECO SAVVY COMMUNITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

A. Carbon reduction

827 tonnes of CO2e saved overall

B Energy

215 residents receiving water device packs
7,740,000 litres of water estimated to be saved
£21,500 saved in household water heating bills
146 energy audits and EPCs delivered
37 households supported in getting air source heat pumps
11 households supported in getting solar PV

The energy/water strand Savvy Film Clubs were educational, thought provoking, and a call to action through lively discussion and suggestions.

C Food

55 Food Share volunteers trained and involved
£171,171 worth & 27.5 tonnes of surplus food diverted from landfill, distributed and used by residents instead.

D Travel

22 businesses signed up to the E-Bike charge network
17,557 E-Bike miles cycled
264 active members on Arran Community Lift share forum
14 E-Bikes bought by residents to replace and minimise car use

E-bikes continued to be popular with individuals as well as local businesses and organisations participating in the CCF/Eco Savvy E-Bike trial scheme. Covid and the relatively good weather over the summer contributed to this and more and more people became aware of the scheme and wanted to participate.

This project made a massive difference to the Arran community and there is so much more to know and learn about this project: see the website for more information
<https://arranecosavvy.org.uk/arran-eco-savvy-project-news/completed-projects/sustainable-island-life/>

A big thankyou to Jude King, Jess Wallace, Ruth McLaren, Andrew Binnie, Emma Tracey, Charlotte Mann and volunteers for their amazing work in challenging circumstances!

The Eco Savvy Community Shop

This community resource is run by a part time paid manager in conjunction with trained volunteers in a sociable atmosphere that provides a focal point for the community whilst generating a modest income stream for the charity.

ARRAN ECO SAVVY COMMUNITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

E Waste:

The Arran Eco Savvy Community Shop provides a welcoming space to reduce waste and the consumption of new products through recycling unwanted items which would otherwise go to landfill. The shop also helps the community to live a plastic free life by stocking eco products.

Coronavirus Covid 19 restrictions led to temporary shop closures to safeguard the health and safety of volunteers, staff and customers. The shop manager used this opportunity to complete implementation of planned improvements, including the back shop renovation with donated kitchen units, installation of a separate sink and preparation area for cleaning and sorting donated goods for resale together with the addition of a shed for extra storage space.

Although income was restricted the improvements will lead to greater opportunities for sales in the coming financial year as long as Covid restrictions allow.

Thanks to all volunteers for their hard work and enthusiasm.

Thanks particularly to Val Waite, our Shop Manager who achieved so much in challenging circumstances. Val moves on to follow her career path in another direction but leaves Arran Eco Savvy with a wonderful community resource.

The shop also linked with other organisations on the island to help out, including our reciprocal arrangement with ArCas - receiving electricals and donating surplus clothing.

We continue to sell items online; Arran For Sale & Wants, Free on Arran, eBay, Abe Books, and sell more valuable items through McTears the auctioneers. This enables people who may not be able to get to the shop to have a chance to buy donated goods.

Volunteers

Shop volunteers, project volunteers and Trustees put time, energy and enthusiasm into the work of Arran Eco Savvy for no financial reward. They are the backbone of the organisation. They can do so much but need the tools to do the job. It is a challenge to get across in a report, the true value to the community of the resources that Eco Savvy brings to Arran.

In order to offer volunteering opportunities to all regardless of background, circumstances and financial advantage, we need to remove barriers by providing training, support and out of pocket expenses in a safe environment. The benefits far outweigh the relatively small amounts of funding required to enable this to happen. This financial year we were again fortunate to receive funding to enable us to do this through the Volunteering Support Fund. We employed Val Waite as a part time Volunteer Co-ordinator to deliver the aims of the project.

To improve health and safety and comfort for our volunteers in the shop, we were able to install emergency lighting and move light switches. Improvements were made in the back shop to make it easier to sort donations e.g. new and recycled cupboards, sink and draining board, hanging rail and space to steam clothes and for volunteers to sit for a coffee break.

Volunteers come from a variety of backgrounds and include people who are disadvantaged, have a long term health problem or are recovering from an illness or bereavement. Even with the Coronavirus Covid 19 pandemic, the funding helped 9 new volunteers reduce isolation, build confidence, improve health and wellbeing, make new friends and learn new skills. With Eco Savvy, volunteers also learn how to live low carbon lifestyles which often also helps to save money and live happily and healthily.

In turn volunteers provided a service to the community of 505 hours in a whole variety of areas e.g. staffing the shop, organising food share, making 1,800 face masks to protect people from Covid 19! Together with existing volunteers, an astonishing total of 9,252 hours of voluntary work were undertaken in 2020 – 2021!

More information is available on our website at: <https://arranecosavvy.org.uk/news-events/eco-savvy-news-events/volunteering-with-arran-eco-savvy/>

ARRAN ECO SAVVY COMMUNITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Financial review

In spite of the difficulties brought by the Covid-19 pandemic, the Charity has been able further to improve its healthy financial position; Total Unrestricted Funds have increased by £22,407, from £23,878 at 5 April 2020 to £46,285 carried forward at the year end.

The Restricted Fund balance of £7,229 at 5 April 2021 (2020: £10,488) represents the cost less depreciation of the e-bikes purchased through funding from the Energy Savings Trust, the Climate Challenge Fund and North Ayrshire Council. The total cost of e-bikes purchased has been £33,035 and they are being depreciated over two years.

During the year to 5 April 2021 the Charity had incoming resources of £198,843 compared to £181,412 in the previous year. There were total resources expended of £179,695 compared to £174,746 in the previous year.

The Charity's main grant funding during the year was from the Climate Challenge Fund amounting to £143,795 (2020: £149,794). This was the second year of a two year funding award from the Climate Challenge Fund which ended on 31 March 2021.

Statement of the charity's policy on reserves

The Trustees maintain a policy that £10,000 should be available for investment in an Eco Savvy future green capital project, and this amount remains available. Due to major funding sources having ended, and due to substantial Restricted Funds having been transferred to Unrestricted Funds as the projects ended, the trustees decided to designate an amount out of Unrestricted Funds to be made available for the year to 5 April 2022, to assist with applying for new funds and to further environmental projects until more funding was found. A total of £11,535 was designated for this purpose. The trustees also decided to provide match funding for the Sustainable Travel project, to supplement the funding received in 2021 from Smarter Choices Smarter Places – Paths for All, and a total of £4,909 was designated for this purpose. This left a buffer of £18,573 to cover expenditure should the Charity require any emergency funding for any reason in order to continue its activities and to cover fixed overheads in the event of unforeseen circumstances, estimated at £13,500.

In spite of the shop being closed for a large part of 2020 and 2021, the Charity's financial situation has not deteriorated, due to a grant of £10,000 received from the Business Support Fund and receipts from the Coronavirus Job Retention Scheme to assist with payment of the Shop Manager's salary.

Details of any deficit

In the current year there was a surplus of £4,010 on unrestricted funds (2020: deficit of £4,740 which represented the net amount of consultancy fees paid less some small receipts). After management charges transferred from restricted funds, there was a total surplus for the year of £22,407 (2020: surplus of £7,949) on unrestricted funds. The shop achieved a surplus of £4,407 (2020: £371) after the inclusion of the Business Support Fund and Coronavirus Job Retention Scheme funds received.

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Future plans

During the financial year April 2021 to April 2022 Arran Eco Savvy will be in a period of adjustment following the completion of the Sustainable Island Life project. A new strategy is being developed to chart our course over the coming years, but one that will build on this enormously successful year.

Additional information

A big thankyou to all volunteers – including Trustees, and to staff for making Arran Eco Savvy a success.

ARRAN ECO SAVVY COMMUNITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Structure, governance and management

The Charity was registered as a Scottish Charitable Incorporated Organisation (SCIO) on 7th July 2015 following an initial period as an unincorporated association.

The assets of the unincorporated association were transferred to the SCIO following registration on 7th July 2015. The constitution was amended at the AGM in November 2019 following consultation with members and the changes confirmed by OSCR. Arran Eco Savvy has Trustees, Members and Associate Members.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Helen Ross - Chairperson

Hilary Maguire FCA - Treasurer

Elsa Rodeck

Donald McNicol

Esther Brown

(Resigned 21 November 2021)

Pauline Robinson

(Appointed 1 November 2020)

Patricia Templeton

(Appointed 1 March 2021)

Diana Turbett

(Appointed 1 May 2021)

Trustee recruitment and appointment

A minimum of three and a maximum of ten trustees are elected or appointed at the annual general meeting held each year, drawn from the local community. Trustees can also be co-opted during the year and are currently recruited on an individual basis; no trustees are appointed by external organisations. Trustees are treated in the same way as other volunteers. They are not paid for their work but do receive some out of pocket expenses e.g. for travel to Trustee meetings.

AES was very pleased to welcome new Trustees as follows: -

- Pauline Robinson, elected as a trustee at the AGM in November 2020,
- Patricia Templeton, co-opted on 1 March 2021

The process was largely informal through contributing to Eco Savvy events and meetings with trustees. Their enthusiasm and experience are a great asset to Eco Savvy.

Having a diverse board helps to make charities more effective. The right mix of skills and experience boosts our charity's ability to meet its aims. We would therefore like to encourage people with diverse experience and backgrounds to join us.

The Trustees' report was approved by the Board of Trustees.

Helen Ross - Chairperson

Trustee

Dated: 15 December 2021

Hilary Maguire FCA - Treasurer

Trustee

Dated: 15 December 2021

ARRAN ECO SAVVY COMMUNITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 year.

In preparing these financial statements, the Trustees 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient 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 (as amended) and the provisions of the trust deed. 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.

ARRAN ECO SAVVY COMMUNITY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARRAN ECO SAVVY COMMUNITY

I report on the financial statements of the Charity for the year ended 5 April 2021, which are set out on pages 9 to 19.

Respective responsibilities of Trustees and examiner

The Charity's Trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements 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 was carried out in accordance with Regulation 11 of the 2006 Accounts 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 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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

John Simpson FCA
Chartered Accountants Ireland
Montpelier Professional (Galloway) Limited
1 Dashwood Square
Newton Stewart
Wigtownshire
DG8 6EQ

Dated: 15 December 2021

ARRAN ECO SAVVY COMMUNITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	2	12,632	182,712	195,344	1,263	162,233	163,496
Other trading activities	3	3,492	-	3,492	17,910	-	17,910
Investments	4	7	-	7	6	-	6
Total income		16,131	182,712	198,843	19,179	162,233	181,412
Expenditure on:							
<u>Raising funds</u>							
Charity shop costs	5	10,071	-	10,071	17,539	-	17,539
<u>Charitable activities</u>							
Charitable expenditure	6	2,050	167,574	169,624	6,380	150,827	157,207
Total charitable expenditure		2,050	167,574	169,624	6,380	150,827	157,207
Total resources expended		12,121	167,574	179,695	23,919	150,827	174,746
Net incoming resources before transfers		4,010	15,138	19,148	(4,740)	11,406	6,666
Gross transfers between funds		18,397	(18,397)	-	12,689	(12,689)	-
Net income/(expenditure) for the year/							
Net movement in funds		22,407	(3,259)	19,148	7,949	(1,283)	6,666
Fund balances at 6 April 2020		23,878	10,488	34,366	15,928	11,771	27,699
Fund balances at 5 April 2021		46,285	7,229	53,514	23,877	10,488	34,365

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

ARRAN ECO SAVVY COMMUNITY

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		8,497		10,488
Current assets					
Stocks	11	1,883		2,600	
Debtors	12	18,766		12,953	
Cash at bank and in hand		51,105		19,602	
		<u>71,754</u>		<u>35,155</u>	
Creditors: amounts falling due within one year	13	<u>(26,737)</u>		<u>(11,278)</u>	
Net current assets			45,017		23,877
Total assets less current liabilities			<u>53,514</u>		<u>34,365</u>
Income funds					
Restricted funds	14		7,229		10,488
<u>Unrestricted funds</u>					
Designated funds	15	26,444		-	
General unrestricted funds		<u>19,841</u>		<u>23,877</u>	
			46,285		23,877
			<u>53,514</u>		<u>34,365</u>

The financial statements were approved by the Trustees on 15 December 2021

Helen Ross - Chairperson
Trustee

Hilary Maguire FCA - Treasurer
Trustee

ARRAN ECO SAVVY COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity information

Arran Eco Savvy Community is a Scottish Charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ARRAN ECO SAVVY COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% straight line
E-bikes	50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ARRAN ECO SAVVY COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	387	-	387	1,075	-	1,075
Grants	12,245	182,712	194,957	188	162,233	162,421
	<u>12,632</u>	<u>182,712</u>	<u>195,344</u>	<u>1,263</u>	<u>162,233</u>	<u>163,496</u>

ARRAN ECO SAVVY COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

2 Donations and legacies

(Continued)

Donations and gifts

Donations	257	-	257	545	-	545
EPC Certificates	130	-	130	530	-	530
	<u>387</u>	<u>-</u>	<u>387</u>	<u>1,075</u>	<u>-</u>	<u>1,075</u>

Grants receivable for core activities

Climate Challenge Fund	-	143,794	143,794	-	149,794	149,794
Energy Savings Trust	-	12,060	12,060	-	-	-
Impact Funding Partners	-	9,944	9,944	-	9,939	9,939
North Ayrshire Council	10,000	-	10,000	-	2,500	2,500
CJRS	2,245	-	2,245	188	-	188
Selkirk Regeneration	-	1,791	1,791	-	-	-
CARES	-	15,123	15,123	-	-	-
	<u>12,245</u>	<u>182,712</u>	<u>194,957</u>	<u>188</u>	<u>162,233</u>	<u>162,421</u>

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Shop income	<u>3,492</u>	<u>17,910</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	<u>7</u>	<u>6</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£

ARRAN ECO SAVVY COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

5 Raising funds (Continued)

<u>Charity shop costs</u>		
Other charity shop costs	4,778	12,643
Charity shop staff costs	5,293	4,896
	<u> </u>	<u> </u>
Charity shop costs	10,071	17,539
	<u> </u>	<u> </u>

6 Charitable activities

	Charitable expenditure 2021 £	Charitable expenditure 2020 £
Staff costs	112,686	111,345
Depreciation and impairment	15,635	10,488
Staff & volunteer training	312	544
Travel & subsistence	355	2,875
Event expenses	2,391	3,921
Other	1,351	-
E-bike expenses	4,844	4,048
Consultancy fees	-	5,605
Cares Project feasibility study	15,122	-
	<u> </u>	<u> </u>
	152,696	138,826
	<u> </u>	<u> </u>
Share of support costs (see note 7)	15,488	16,941
Share of governance costs (see note 7)	1,440	1,440
	<u> </u>	<u> </u>
	169,624	157,207
	<u> </u>	<u> </u>
Analysis by fund		
Unrestricted funds	2,050	6,380
Restricted funds	167,574	150,827
	<u> </u>	<u> </u>
	169,624	157,207
	<u> </u>	<u> </u>

ARRAN ECO SAVVY COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Rent	4,529	-	4,529	9,852	-	9,852
Utilities	202	-	202	203	-	203
Insurance	1,363	-	1,363	788	-	788
Repairs	105	-	105	2,438	-	2,438
Post & stationery	3,575	-	3,575	1,711	-	1,711
Telephone	1,080	-	1,080	953	-	953
Sundry	4,575	-	4,575	996	-	996
Bank charges	59	-	59	-	-	-
Accountancy	-	1,440	1,440	-	1,440	1,440
	<u>15,488</u>	<u>1,440</u>	<u>16,928</u>	<u>16,941</u>	<u>1,440</u>	<u>18,381</u>
Analysed between Charitable activities	<u>15,488</u>	<u>1,440</u>	<u>16,928</u>	<u>16,941</u>	<u>1,440</u>	<u>18,381</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

During the year 1 Trustee was reimbursed for home office expenses of £234 (2020: 3 Trustees for travelling expenses of £674).

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>7</u>	<u>7</u>
Employment costs	2021 £	2020 £
Wages and salaries	111,396	108,823
Social security costs	3,272	4,429
Other pension costs	3,311	2,989
	<u>117,979</u>	<u>116,241</u>

There were no employees whose annual remuneration was more than £60,000.

ARRAN ECO SAVVY COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

10 Tangible fixed assets

	Fixtures and fittings £	E-bikes £	Total £
Cost			
At 6 April 2020	-	20,975	20,975
Additions	1,585	12,060	13,645
	<u>1,585</u>	<u>33,035</u>	<u>34,620</u>
At 5 April 2021	1,585	33,035	34,620
Depreciation and impairment			
At 6 April 2020	-	10,488	10,488
Depreciation charged in the year	317	15,318	15,635
	<u>317</u>	<u>25,806</u>	<u>26,123</u>
At 5 April 2021	317	25,806	26,123
Carrying amount			
At 5 April 2021	1,268	7,229	8,497
	<u>1,268</u>	<u>7,229</u>	<u>8,497</u>
At 5 April 2020	-	10,488	10,488
	<u>-</u>	<u>10,488</u>	<u>10,488</u>

11 Stocks

	2021 £	2020 £
Finished goods and goods for resale	1,883	2,600
	<u>1,883</u>	<u>2,600</u>

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	15,977	12,375
Other debtors	2,789	578
	<u>18,766</u>	<u>12,953</u>

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		2,504	2,223
Government grants		9,500	-
Other creditors		13,293	5,927
Accruals and deferred income		1,440	3,128
		<u>26,737</u>	<u>11,278</u>

ARRAN ECO SAVVY COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Balance at 5 April 2021 £
	Balance at 6 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 6 April 2020 £	Incoming resources £	Resources expended £	Transfers £	
Climate Challenge Fund	-	149,794	(134,030)	(11,654)	4,110	145,586	(131,299)	(18,397)	-
Impact Funding Partners	-	9,939	(9,939)	-	-	9,944	(9,944)	-	-
North Ayrshire Council	-	2,500	(973)	(1,035)	492	-	(492)	-	-
Energy Savings Trust	11,771	-	(5,885)	-	5,886	12,060	(10,717)	-	7,229
CARES	-	-	-	-	-	15,122	(15,122)	-	-
	<u>11,771</u>	<u>162,233</u>	<u>(150,827)</u>	<u>(12,689)</u>	<u>10,488</u>	<u>182,712</u>	<u>(167,574)</u>	<u>(18,397)</u>	<u>7,229</u>

Climate Challenge Fund - Funding to support sustainable island life through transport and food projects. The transfer relates to management charges and HMRC employment related refunds.

Impact Funding Partners - Funding to support volunteers and volunteering in the community.

North Ayrshire Council - Funding to assist in the purchase of e-bikes. The transfer relates primarily to capital expenditure.

Energy Savings Trust - Funding to purchase e-bikes for community use.

CARES - Enablement grant for renewable energy project

ARRAN ECO SAVVY COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			
	Incoming resources £	Balance at 6 April 2020 £	Transfers £	Balance at 5 April 2021 £
Environmental projects	-	-	11,535	11,535
Paths for all	-	-	4,909	4,909
Future green	-	-	10,000	10,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	26,444	26,444
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Environmental projects - assist with applying for new funds and to fund environmental projects

Paths for all - match funds for sustainable travel projects

Future green - investment in an Eco Savvy future green capital project. This was agreed in earlier years, but was previously omitted from designated funds in error.

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 5 April 2021 are represented by:						
Tangible assets	1,268	7,229	8,497	-	10,488	10,488
Current assets/ (liabilities)	45,017	-	45,017	23,877	-	23,877
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	46,285	7,229	53,514	23,877	10,488	34,365
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Related party transactions

During the year Esther Brown, a trustee, was paid a consultancy fee of £1,575 (2020 - £5,500) to research new project ideas. This is in accordance with the constitution of the charity.