

Charity Registration No. SC017786 (Scotland)

Company Registration No. SC133596 (Scotland)

PUFFIN HYDROTHERAPY POOL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



PUFFIN HYDROTHERAPY POOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee's

V Ross
H Charley
B Liddle
B Manson
L Kirkland
M Brown
H A Mackay
B Cameron
M E Paterson
C Davidson
J I S Merchant
J Maxwell

(Appointed 10 September
2020)

Charity number (Scotland)

SC017786

Company number

SC133596

Registered office

Ferry Road
Dingwall
Ross-Shire
United Kingdom
IV15 9QS

Independent examiner

Azets Audit Services
10 Ardross Street
Inverness
United Kingdom
IV3 5NS

PUFFIN HYDROTHERAPY POOL

CONTENTS

	Page
Trustees' report	1 - 5
Independent examiner's report	6
Statement of financial activities	7 - 8
Statement of financial position	9 - 10
Notes to the financial statements	11 - 23

PUFFIN HYDROTHERAPY POOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report with the Independent Examiner's Report of the company for the year ended 31 March 2021.

Objectives and activities

The objectives and principal activities of the charity in the year under review continue to be the provision of hydrotherapy and related physiotherapy services to the communities of the Highlands and Islands.

Key Priorities

The key priorities for this year have been dealing with the significant impact of the Covid-19 pandemic. For both the Hydrotherapy Pool and our Charity Shop our priority was to ensure that both premises were made Covid-safe for both clients and staff.

The two national lockdowns and the application of the relevant regulations has meant that the Pool was only able to be open during November and December 2020 and running at a significantly reduced throughput of clients. We endeavoured to give access to as many of our existing clients as possible during the period the Pool was open.

In addition, the Charity shop, which in a normal year provides a significant contribution to the pool operating costs, was only open from mid-August to the end of December 2020, during this financial year.

Achievements and performance

The charitable company's activities are directed by a volunteer board of trustees who meet quarterly. During this year this has been done on-line to comply with national regulations, and our Annual General Meeting was also conducted on-line.

To provide hydrotherapy we maintain the specialist pool with day to day supervision by trained staff from Highlife Highland, a non-profit charity established by Highland Council. This ensures we have staff qualified to the requisite current health and safety standards with back-up staff available in event of staff leave or sickness. The trustees meet the contracted manager or her deputy, regularly to review the staffing, equipping and running of the facility including health and safety matters. The manager attends Board meetings at which she formally reports pool activity, staffing and maintenance issues.

The charitable company offers specialist hydrotherapy to three main groups.

- Patients of the adjacent Highland Rheumatology Unit (NHS Highland) have reserved sessions
- Established disabled groups take sessions
- Disabled individuals, often on the advice of a health professional, gain direct access by arranging a personal assessment.

All individuals are assessed for suitability and treatment advice by a self-employed physiotherapist whose fees are paid from an assessment charge and pool funds. After assessment individuals are placed in dedicated 'Mobility ' groups for treatment sessions at a modest charge (subsidised by the charitable company). Any unfilled sessions are offered for leisure use e.g. mother and toddler groups, provided at cost.

PUFFIN HYDROTHERAPY POOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The key activity statistics for the operational year 2020/21 were obviously significantly affected by the Coronavirus regulations.

- We were unable to offer space to any new clients. This compares with 213 new clients assessed in the previous year. A waiting list is established and this will be reviewed as activity at the Pool gets started again.
- 68 hydrotherapy sessions were offered every full week for the limited time that the pool was open. These are used by 4 key groups namely Mobility, Disabled, NHS and Leisure. The normal session time had to be reduced to allow for the required cleaning between each session.
- There were only 697 attendances for the year compared with 30,204 for the previous year. This reflects that the Pool was only open for 2 months and a restriction of a maximum of 5 clients per session was enforced as part of the Covid regulations.

As a non-profit making charity, the Puffin Pool supports individual and group user charges by its fundraising activities. These fundraising activities were severely impacted during the financial year by the pandemic. Our total Unrestricted funds dropped from £362,245 in 2019/20 to £307,617 for 2020/21. We were extremely grateful to NHS Highland and Highland Council who still allocated us our full year grant (£25,567) as in previous years, since our major sources of income from donations, pool activities and our charity shop were significantly reduced. Unfortunately, with the exception of staffing costs, there were still most of the regular operating costs of the pool to be paid for which meant that the Board had to make some difficult decisions to cover these costs until normal activities could be resumed. At the Board Meetings on 9th July 2020 and 8 October 2020, the Board made the following decisions

- At an appropriate point in the future, to sell £50,000 of our investments to release funds to cover operating costs. This would be done based on the financial forecast and our bank balances. This was actioned in April 2021.
- To increase individual attendance fees by £4 to £8, group fees from £20 to £40, assessments from £8 to £10 and adult and baby sessions from £5 to £10. Effective from the reopening of the pool in November 2020. It was agreed that if Covid restrictions were relaxed, permitting more users in the pool at any one time then the fees would be reviewed again.

On a more positive note, we used the time the pool was closed to improve the changing facilities, using some of the balance of our major fundraising monies from 2018/19 and 2019/20. These were restricted funds and must be used for the purpose for which the funds were raised. New lockers were purchased and the shower facilities upgraded. In addition, we were successful in a bid to SSE Renewables for funds to improve hoist access between the changing rooms and the pool. We hope that we will be able to carry out this work during the forthcoming financial year.

Our communications with clients remain as last year, with no formal Users Group in place due to lack of client participation. However, there is a formal complaints procedure in place and both current and potential clients can also contact us through both our website and Facebook page which are continuously updated. In normal times, questionnaires are given to users by Highlife Highland and the physiotherapy department, for audit purposes, and in the past the response from these have shown a high level of satisfaction. For obvious reasons this did not happen during 2020/21. We had planned to make a promotional video, during 2020/21, to showcase the pool, its benefits and who can access it, but this had to be postponed and we would hope to complete that in this coming year, depending on Covid rules.

PUFFIN HYDROTHERAPY POOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The Statement of Financial Activities is set out on pages 7 and 8 of the Financial Statements.

Total incoming resources decreased by £231,319 to a figure of £75,982. This was mainly due to a decrease in donations and legacies of £106,959, fundraising of £43,593 and pool income of £72,150.

Total expenses decreased from £271,935 to £127,186. This was mainly due to a decrease in maintenance costs.

The pool's charity shop generates a continuing and valuable source of annual income. This year its income from sales of new and donated goods amounted to £13,541, a decrease of £43,593 on last year's figure of £57,134.

The market valuation of the Company's investments has increased from £327,616 at the end of 2019/20 to £415,117 at the close of this financial year. These long term investments showed a profit of £87,501 as at 31 March 2021. Hopefully, the long-term performance of these company's investments will provide an essential contribution to the pool's future needs. The Capital Development Fund reserves currently are £442,106.

Principal risks and uncertainties

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. There are three main risks identified by the trustees for the coming years.

1. The Covid-19 pandemic. This is our most significant risk. The closure of the pool and the shop for most of the financial year have meant a significant loss of income. Every effort has been made to reduce expenditure during these periods while maintaining the safety of our premises, but this cannot be reduced to match the total income lost. A further impact is on our ongoing fundraising which contributes to the running costs of the pool as detailed above. The long-lasting economic impact of this pandemic on the wider community will inevitably reduce the donations and financial support that we receive. A 12-month cashflow forecast predicts that despite the release of £50,000 of our investments to support operating costs, a further release of investment may be required before the end of the financial year, if there is no further relaxation to the current Covid regulations.
2. The financial pressures within NHS Highland. The Puffin Pool, along with other charities has been informed that the significant savings target set for NHS Highland could reduce our grant or eliminate it. We have secured the same grant for 2021/22 as previous years, but have no guarantees beyond that.
3. The financial pressures within Highland Council. Correspondence from Highland Council during the past couple of years have indicated that required budget cuts could affect our grant from them. We have secured the same grant for 2021/22 as previous years, but have no guarantees beyond that.

Reserves policy

The General fund represents unrestricted funds arising from past operating results. The Capital Development Fund is a designated reserve established to meet future requirements of the pool building and plant and equipment. It is the trustees' policy to ensure that there are sufficient free reserves to provide financial flexibility and to ensure that funds will be available as and when the pool requires refurbishment or the replacement of significant equipment, while continuing judicious management of investment assets.

The charitable company had an overall surplus of £36,297 during the year ended 31 March 2021. At the 31 March 2021 overall the net current assets and net assets had a surplus of £39,382 and £860,431 respectively. The trustees consider that they have secured sufficient funding for the year ahead to continue to operate as a going concern.

PUFFIN HYDROTHERAPY POOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

The Covid-19 pandemic has brought challenges for both the pool, our shop and our community. Our main aims for this coming year will be to safely restore services in line with government advice, providing support to our clients, staff and wider community.

We hope that we will be able to complete our upgrade of major equipment, with replacement of our mobile hoists and improved access to both the changing rooms and the pool. There are restricted funds available to fund this. The timescales for this will be reviewed depending on any future impact of the pandemic. We would wish to schedule this to have minimal impact on clients access to the pool.

The Board plans to continue to provide safe, affordable and effective hydrotherapy for our clients. We had overwhelming positive messages from clients when we were able to reopen the pool between national lockdowns. However we are very aware that due to the restrictions on the numbers able to use the pool at any one time, this has meant that not all our existing clients have been able to have access, and that we have not been able to accept any new clients. Given the continuing popularity of the pool and continued new referrals we will commit to review the timetable with the aim to accommodate as many existing clients as possible and to provide assessments for new entrants as soon as this is feasible.

Structure, governance and management

The organisation is a charitable company, limited by guarantee, incorporated on 23 August 1991 and registered as a charity on that date. The company was established by a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The Trustee's, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C Fleming (Resigned 10 September 2020)

V Ross

E A Miles (Resigned 10 September 2020)

H Charley

B Liddle

B Manson

L Kirkland

M Brown

H A Mackay

B Cameron

M E Paterson

C Davidson

J I S Merchant

J Maxwell (Appointed 10 September 2020)

Trustees' appointment, induction and training

Trustees are appointed by the Board of Trustees either to fill a vacancy or by way of addition to the board, provided that the prescribed maximum of eighteen members is not thereby exceeded.

The board of trustees meet every three months to discuss how the charity is meeting its objectives and review the range of reports produced by key individuals. These are primarily a financial report by the Treasurer, updates from both the Chair and the Secretary, activity reports by the Pool Manager and Shop Supervisor, and a maintenance report by the Facilities Manager.

Reference and administrative details

The above details are contained within the officers and advisors section of the financial statements.

PUFFIN HYDROTHERAPY POOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustee's, who are also the directors of Puffin Hydrotherapy Pool for the purpose of company law, 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).

Company Law requires the Trustee's 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 income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustee's 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee's are responsible for keeping adequate 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 Companies Act 2006. 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' report was approved by the Board of Trustee's.



H Charley
Trustee

Dated: 22 July 2021

PUFFIN HYDROTHERAPY POOL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEE'S OF PUFFIN HYDROTHERAPY POOL

I report on the financial statements of the charity for the year ended 31 March 2021, which are set out on pages 7 to 23.

This report is made solely to the charity's trustees, as a body, in accordance with section 44 (1)(C) of the Charities and Trustee Investment (Scotland) Act 2005. My examination 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 the charity and the charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of Trustee's and examiner

The charity's Trustee's, who are also the directors of Puffin Hydrotherapy Pool for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Trustee's 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 2005 Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the 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 financial statements.

Independent examiner's statement

In connection with my examination, no matter 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 (as amended); and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended);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.



Allison Gibson, CA
Azets Audit Services

10 Ardross Street
Inverness
IV3 5NS
United Kingdom

Dated: 5..August...2021

PUFFIN HYDROTHERAPY POOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Designated funds	Restricted funds	Total	Unres
	Notes	2021 £	2021 £	2021 £	2021 £	
<u>Income and endowments from:</u>						
Donations and legacies	3	35,684	-	11,342	47,026	£
Charitable activities income	4	7,171	-	-	7,171	7
Other trading activities income	5	13,541	-	-	13,541	£
Investment income	6	8,227	-	-	8,227	'
Other income	7	17	-	-	17	
Total income		64,640	-	11,342	75,982	23
<u>Expenditure on:</u>						
Raising funds expenditure	8	13,967	-	-	13,967	'
Charitable activities expenditure	9	103,216	-	7,918	111,134	25
Other expenditure	12	2,085	-	-	2,085	
Total expenditure		119,268	-	7,918	127,186	27
Net gains/(losses) on investments	13	-	87,501	-	87,501	
Net (expenditure)/income for the year/ Net movement in funds		(54,628)	87,501	3,424	36,297	(3

PUFFIN HYDROTHERAPY POOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

Gross transfers between funds	-	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds	(54,628)	87,501	3,424	36,297	(3,000)
Fund balances at 1 April 2020	362,245	410,946	50,943	824,134	39,000
Fund balances at 31 March 2021	307,617	498,447	54,367	860,431	36,000

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the (

PUFFIN HYDROTHERAPY POOL

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14		405,932		425,341
Investments	15		415,117		327,616
			<u>821,049</u>		<u>752,957</u>
Current assets					
Stocks	16	1,895		1,895	
Debtors	17	10,770		27,670	
Cash at bank and in hand		29,395		66,023	
		<u>42,060</u>		<u>95,588</u>	
Creditors: amounts falling due within one year	18	(2,678)		(24,411)	
Net current assets			39,382		71,177
Total assets less current liabilities			<u>860,431</u>		<u>824,134</u>
Income funds					
Restricted funds	19		54,367		50,943
<u>Unrestricted funds</u>					
Designated funds	20	498,447		410,946	
General unrestricted funds		307,617		362,245	
		<u>806,064</u>		<u>773,191</u>	
		<u>860,431</u>		<u>824,134</u>	

PUFFIN HYDROTHERAPY POOL

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The trustees responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustee's on 22 July 2021

H Charley

H Charley
Trustee

Company Registration No. SC133596

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Puffin Hydrotherapy Pool is a private company limited by guarantee incorporated in Scotland. The registered office is Ferry Road, Dingwall, Ross-Shire, IV15 9QS, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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 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 unless otherwise stated within these accounting policies. The principal accounting policies adopted are set out below.

1.2 Going concern

The charitable company had an overall surplus of £36,297 during the year ended 31 March 2021. At the 31 March 2021 overall the net current assets and net assets had a surplus of £39,382 and £860,431 respectively. The trustees consider that they have secured sufficient funding for the year ahead to continue to operate as a going concern.

The impact of Covid-19 has been discussed in the "Principal risks and uncertainties" and "Plans for future periods" section of the Trustees' report.

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.3 Income

Income recognition

Income is included in the Statement of Financial Activities when the charity is entitled to the income, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Donations

Donations are recognised and included in the Statement of Financial Activities when the company has control over the donation, any conditions associated with the donation have been met, the receipt of economic benefit is probable and the economic benefit can be measured reliably.

Grants

Revenue grants are credited to the Statement of Financial Activities in the period that conditions for receipt have been complied with, the company is entitled to the grant, it is probable that the income will be received, and the amount can be measured reliably.

Income from charitable activities

Income from charitable activities is accounted for when earned.

Income from other trading activities

Income from the charity shop, being the sale of new and used goods, is accounted for when received.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest payable by the bank.

Other income

Other income is recognised when it is received.

1.4 Expenditure

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category in question.

Governance costs include those costs associated with meeting the constitutional requirements of the company and include the accountancy fees and costs linked to the strategic management of the company.

Raising funds expenditure

Comprise those costs incurred in respect of the general fundraising activities and costs incurred with running the shop.

Charitable activities expenditure

Charitable expenditure comprises costs incurred by the charity in the delivery of its activities and services to beneficiaries.

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

Pool equipment	- 10% on cost
Office equipment	- 20% on reducing balance
Energy efficient equipment	- 5% on cost
Hydrotherapy pool	- 2% on cost
Footpath	- 10% on cost

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 net income/(expenditure) for the year.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

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 valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 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 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 Taxation

The company is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result there is no liability to taxation on any of its income.

1.12 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.

1.13 Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in the furtherance of the general objectives of the company and which have not been designated for other purposes.

The capital development designated fund is maintained to finance future refurbishment and replacement of the pool and related plant and equipment. It is represented by investments held and respective earnings from these investments and cash held on deposit. There is a new fixed assets capital fund in place for the ongoing replacement of fixed assets.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or when raised for a particular restricted purpose.

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustee's are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	3,865	-	3,865	34,552	-	34,552
Fundraising	-	-	-	11,436	67,908	79,344
Grants	30,738	11,342	42,080	25,567	-	25,567
RHI subsidy	1,081	-	1,081	14,522	-	14,522
	<u>35,684</u>	<u>11,342</u>	<u>47,026</u>	<u>86,077</u>	<u>67,908</u>	<u>153,985</u>
Grants receivable for core activities						
Highland Health Board	18,392	-	18,392	18,392	-	18,392
The Highland Council	7,175	-	7,175	7,175	-	7,175
SSE	-	11,342	11,342	-	-	-
Coronavirus Job Retention Scheme	5,171	-	5,171	-	-	-
	<u>30,738</u>	<u>11,342</u>	<u>42,080</u>	<u>25,567</u>	<u>-</u>	<u>25,567</u>

4 Charitable activities income

	Charitable activities 2021 £	Charitable activities 2020 £
Pool income	<u>7,171</u>	<u>79,321</u>

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Other trading activities income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Shop	13,541	57,134

6 Investment income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	8,227	10,697

7 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other income	17	6,164

8 Raising funds expenditure

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising and publicity	638	102
Purchases of new goods	13,329	12,832
Staff costs		
Fundraising and publicity	13,967	12,934
	13,967	12,934

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Charitable activities expenditure

	2021 £	2020 £
Direct pool expenses	78,456	208,118
Other admin expenses	13,269	27,020
Depreciation	19,409	19,713
	<u>111,134</u>	<u>254,851</u>
	<u>111,134</u>	<u>254,851</u>
Analysis by fund		
Unrestricted funds	103,216	254,771
Restricted funds	7,918	80
	<u>111,134</u>	<u>254,851</u>

10 Trustee's

None of the Trustee's (or any persons connected with them) received any remuneration, expenses or benefits from the charity during the year (2020 - £nil).

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>1</u>	<u>1</u>
Employment costs		
	2021 £	2020 £
Wages and salaries	<u>13,329</u>	<u>12,832</u>

The company had one employee during the year. The other staff operating the pool facilities are employed by Highlife Highland with the cost being recharged to the company. The total cost recharged by Highlife Highland for the year was £31,471 (2020 - £142,419). £nil (2020 - £16,865) of this is outstanding at the year end and is included in other creditors due within one year.

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Other expenditure

	Unrestricted funds	Unrestricted funds
	2021	2020
Accountancy and legal	2,085	4,150
	<u>2,085</u>	<u>4,150</u>

13 Net gains/(losses) on investments

	Designated funds	Designated funds
	2021 £	2020 £
Movement in market value of fixed asset investments	87,501	(50,039)
	<u>87,501</u>	<u>(50,039)</u>

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets

	Pool equipment	Office equipment
	£	£
Cost		
At 1 April 2020	63,341	21,297
At 31 March 2021	63,341	21,297
Depreciation and impairment		
At 1 April 2020	51,808	15,209
Depreciation charged in the year	2,243	1,217
At 31 March 2021	54,051	16,426
Carrying amount		
At 31 March 2021	9,290	4,871
At 31 March 2020	11,533	6,088

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2020	327,616
Valuation changes	87,501
At 31 March 2021	415,117
Carrying amount	
At 31 March 2021	415,117
At 31 March 2020	327,616

There was no investment assets held outside the UK. The portfolio is managed by M&G Investments. The historic cost of the investment is £200,000.

16 Stocks

	2021 £	2020 £
Finished goods and goods for resale	1,895	1,895

17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	601	7,704
Other debtors	10,169	15,652
Prepayments and accrued income	-	4,314
	10,770	27,670

18 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	201	161
Trade creditors	78	5,685
Other creditors	-	16,865
Accruals and deferred income	2,399	1,700
	2,678	24,411

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 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 1 April 2019	Incoming resources	Transfers	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£	£	£	£
Plant fund	39,456	67,828	(56,341)	50,943	11,342	(7,918)	54,367
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Plant fund - Fund to be used for the replacement of plant.

20 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:

	Balance at 1 April 2019	Transfers	Revaluations, gains and losses	Balance at 1 April 2020	Revaluations, gains and losses	Balance at 31 March 2021
	£	£	£	£	£	£
Capital development fund	404,644	-	(50,039)	354,605	87,501	442,106
Fixed asset fund	-	56,341	-	56,341	-	56,341
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	404,644	56,341	(50,039)	410,946	87,501	498,447
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Capital development fund - Funds available to finance future refurbishment and replacement of the pool and related plant and equipment.

Fixed asset fund - Funds available from fixed assets purchased from previously restricted fundraising.

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unres
Fund balances at 31 March are represented by:					
Tangible assets	349,591	56,341	-	405,932	36
Investments	-	415,117	-	415,117	
Current assets/(liabilities)	(41,974)	26,989	54,367	39,382	
	<u>307,617</u>	<u>498,447</u>	<u>54,367</u>	<u>860,431</u>	<u>36</u>

PUFFIN HYDROTHERAPY POOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

23 Volunteers

In common with all charities Puffin Hydrotherapy Pool benefits from the contributions made by volunteers who give their time and talents willingly for the benefit of the pool.