

Charity Registration No. SC032184

Company Registration No. SC220037 (Scotland)



GAIRLOCH & LOCH EWE ACTION FORUM
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



GAIRLOCH & LOCH EWE ACTION FORUM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M MacRae	
	J Miles	
	C Jones	(Appointed 27 April 2021)
	A Nicaudie	(Appointed 29 March 2022)
	C Burrow	(Appointed 27 September 2021)
	L Close	(Appointed 27 September 2021)
	K Gearing	(Appointed 26 July 2022)
Secretary	J Miles	
Charity number	SC032184	
Company number	SC220037	
Registered office	The GALE Centre Achtercairn GAIRLOCH Wester Ross IV21 2BH	
Independent examiner	Jamie Waugh FCA Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH	

GAIRLOCH & LOCH EWE ACTION FORUM

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GAIRLOCH & LOCH EWE ACTION FORUM

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report and unaudited financial statements for the year ended 31 December 2021. The Trustees' report complies with and includes the requirements of a Directors' report in accordance with the Companies Act 2006.

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 Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), including the provisions of Section 1A relevant to Small Entities, 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).

Objectives and activities

The objectives of the charitable company as set out in its memorandum and articles of association are as follows:

- a) To relieve poverty among the residents of the Wester Loch Ewe, Aultbea and Gairloch Community Council areas (the operating area) and those neighbouring areas as the Board of Trustees sees fit.
- b) To advance education among the residents of the operating area particularly among young people and the unemployed.
- c) To provide, in the interests of social welfare, facilities for recreation and other leisure time activity available to the public at large within the operating area, with a view to improving their conditions of life.
- d) To assist in the provision of housing for people in necessitous circumstances within the operating area.
- e) To advance community development and regeneration, and its environs, through the promotion of trade and industry, for the benefit of the general public.
- f) To promote and/or provide training skills of all kinds, particularly such skills as will assist residents of the operating area in obtaining paid employment.
- g) To protect and/or preserve the environment for the benefit of the general public.

The Trustees have paid due regard to guidance issued by OSCR in deciding what activities the charity should undertake.

Achievements and performance

The principal activities of the charitable company are based on empowering local people to make a difference to local lives and the wider local community through participatory community action and community ownership of assets and services. This has included the management and operation of The GALE Centre which includes a community shop, tourist information service, café and exhibition space. In addition to managing The GALE Centre, the company provides public toilet facilities in Poolewe and Aultbea, provides support and employment services to other community organisations, holds local events, provides volunteering opportunities including supported volunteering for people with additional support needs as well as creating year round paid employment and income generating opportunities for people in the local community.

All the activities of the company focus on building a strong and resilient community in the Gairloch and Loch Ewe area, making it a better place for people of all abilities to live, work and thrive.

Covid Pandemic – Impact and Response

The Covid Pandemic and associated lockdowns continued to have a significant impact on the operations of GALE throughout 2021. January to April saw another national lockdown resulting in most of GALE's normal services closing and the majority of the staff team being placed on Furlough Leave. The rest of the year was spent getting services re-opened and restarted following the long period of lockdowns and disruption.

The time of closure allowed longer term development work to be undertaken to strengthen the organisation and better equip it for when re-opening was allowed. This work included organisation restructuring, a governance review including board succession planning, a redesign of the company website and refurbishment and extension of the GALE Centre kitchen facilities.

GAIRLOCH & LOCH EWE ACTION FORUM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

GALE also continued to lead a number of community efforts to help mitigate the impact of the pandemic on the lives of local people. These Covid community support activities focused on three key themes:

1. Tackling loneliness and isolation caused by shielding and social distancing
 - Befriending – working with Highland Hospice to provide a telephone befriending service to local people in need of a friendly call.
 - Counselling Service– GALE set up and hosted a new free and subsidised Counselling Service for local people. 20 individuals were supported during the year with up to 12 weeks each of Counselling sessions.
2. Addressing issues around food insecurity caused by lockdown and Covid
 - Working with Gairloch High School and The GALE Centre growing plots to increase fruit and vegetable production for distribution locally. All achieved with the help of a team of volunteer gardeners, many of whom were on Furlough Leave.
 - 30 fruit trees (apple and pear) planted at Gairloch High School in partnership with Wester Ross Pocket Orchards.
 - Helping more local people to grow their own produce at home by providing vegetable seeds and plants through a seed/plant swap scheme.
 - Working with Blythswood and the Trussell Trust to provide a local collection point for The Highland Food Bank.
 - Acting as a referring agent and distributor in the area for The Highland Food Bank, making Emergency Food boxes available to local people in financial crisis.
3. Helping to reduce the spread of Covid in the community.
 - Hand Sanitiser Refill Stations. Working with Safe Hands, Saves Lives and Badachro Distillery we provided a network of local refill points where local people could top up their sanitiser bottles.
 - Public use hand sanitiser dispensers – distributed at community buildings and public spaces between Badcaul and Kinlochewe.
 - Providing fogging machines to deep clean community buildings and local business premises enabling them to re-open safely.

The GALE Centre

The GALE Centre is a community owned and managed hub in the centre of Gairloch. The aim of the Centre is to provide a social and economic hub for the area, showcasing local places of interest, art, craft and produce with a view to creating employment and income opportunities which contribute to community wealth building.

The Centre is an important social hub for local people, being one of the only places locally that people can go and sit inside, relax, meet other local people and use wifi and toilet facilities without having to pay anything. As such it has become an important means for our community to promote social inclusion and combat loneliness.

The Centre was closed 1 January – 10 May due to Covid lockdown but then remained open for 7 days a week for the rest of the year.

Community Café

Located within The GALE Centre the café aims to provide an affordable social meeting space for local people and a hospitable and welcoming environment for visitors to the area. It also aims to increase the use and awareness of local produce, create economic opportunities for local people and create training and employment opportunities including supported employment and volunteering.

During 2021 20 local bakers from across the Gairloch and Loch Ewe area received a regular income from supplying the café – a total of £20,613 was paid to these suppliers during the year.

Tourist Information Service

GALE provides a tourist information service from The GALE Centre, online via the visitgairlochandlochewe.co.uk website and via telephone, email and postal enquiries from potential visitors to the area. Over 20,000 visitors used The GALE Centre in 2021.

The main aim of the service is to improve the visitor's experience by showcasing the activities, products, services and amenities the area has to offer and helping visitors make the most of the opportunities available. In doing this GALE's objective is to strengthen the local economy by promoting local business and trade, reducing the seasonality of the local economy, creating direct and indirect employment and creating opportunities for doing business in the Gairloch and Loch Ewe area.

GAIRLOCH & LOCH EWE ACTION FORUM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Gift Shop

GALE provides an outlet for local producers and artists to sell their work. During 2021 35 local people sold their work at The GALE Centre taking home a total of £12,219 in sales income.

GALE was also able to support new social enterprise WASaBED kick start their enterprise by hosting a pop up shop in The GALE Centre. Based in Melvaig, WASaBED upcycles used bed linen, diverting it from landfill and turning it into beautiful and practical tote bags instead.

Poolewe and Aultbea Public Toilet Facilities

GALE continued to provide public toilet facilities in both Poolewe and Aultbea having done so continuously since 1997. Throughout the year GALE continued to campaign to raise awareness of the importance of toilet provision and the challenges of funding this. A joint fundraising event was held on World Toilet Day in partnership with Kinlochewe and Gairloch Public toilets.

Events

GALE holds and hosts various events in the local community to further its aims of strengthening the community and building local resilience. Unfortunately our annual Gairloch and District Show couldn't take place due to ongoing uncertainties of Covid and restrictions on public gatherings.

The annual Christmas Tree Festival did however take place and proved a hugely popular opportunity for the local community to come together following the long covid restrictions. The Christmas Tree Festival aims to celebrate and raise awareness of the work of local charities and community groups as well as raising funds for these local good causes. 6 local charities participated in the 2021 Christmas tree festival.

Volunteering Programme

GALE's Volunteering Programme supports a team of around 30 volunteers each year. Training and support is offered to volunteers including expenses reimbursed, transport provided and formal training arranged.

During lockdown the Volunteer Programme contracted significantly due to restrictions on activity and many volunteers being in the shielding category and therefore unable to participate. The later part of 2021 saw the programme restarted and reinvigorated with a Volunteer Programme Co-ordinator appointed. 15 new volunteers joined the team and some supported volunteers returned too. Work with Gairloch High School and the University of the Highlands and Islands resumed with two pupils volunteering as part of their Foundation Apprenticeship studies and one student working towards a Modern Apprenticeship.

The aim of the Volunteering Programme is to enable the Gairloch and Loch Ewe area to become a more inclusive community by removing barriers to volunteering and supporting all sectors of society to participate and contribute towards the enhancement of their local community.

Project Management and Employment Services

GALE has over 20 years' experience in the field of community development and delivering successful and sustainable community projects. GALE is keen to use this experience to help grow the Development Trust movement, build the capacity of other community groups and thereby help to strengthen the local voluntary sector which in turn contributes towards GALE's goal of building a more resilient community.

During 2021 GALE continued to serve on the Board of the Development Trust Association Scotland, and provided one to one support to member Development Trusts.

In the Gairloch and Loch Ewe community GALE worked in partnership and supported 12 local charities and provided project management, financial and employment services to the Wester Ross Biosphere and Gairloch Aid and Mobility Support (GAMS).

During the year GALE developed a partnership with Aultbea Area Together and Aultbea Community Council to deliver the Aultbea Stories Project. GALE provided employment and project management services for the project which explores and celebrates community engagement with nature and the outdoors in the Aultbea and Laide area.

GAIRLOCH & LOCH EWE ACTION FORUM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Planning for Real

The Planning for Real project aims to gather local views and aspirations for the Gairloch and Loch Ewe area to inform and create a community action plan. The project involves creating scale maps and models of the main villages, then holding a series of community workshops around these models to discuss ideas and opportunities for improvement, prioritising these ideas and agreeing a plan of action for implementing them.

Following a period of inactivity due to lockdown restrictions the project was restarted in the later part of the year with the aim of completing the first Community Action Plan by the end of 2022.

GAIRLOCH & LOCH EWE ACTION FORUM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

During the year the charity generated a surplus of £49,538 (2020 - £106,403). The result is stated after a non-cash depreciation charge of £19,262 (2020 - £17,914). The total funds of the charity at the year end amounted to £941,479 (2020 - £891,941). The total funds of the charity consists of restricted and unrestricted funds.

Restricted funds represents funds received for specific charitable objectives. Total restricted funds at the reporting date amount to £627,198 (2020 - £647,711). A breakdown of restricted funds can be found in note 15.

Unrestricted funds represent funds to be used at the charity's discretion. No restrictions have been placed on these funds by the donors. Total unrestricted funds amount to £314,281 (2020 - £244,230) and included within this is £189,409 (2020 - £178,588) of general unrestricted funds and £124,872 (2020 - £65,642) of designated funds. Designated funds are funds designated by the trustees for certain purposes. A breakdown of designated funds can be found in note 17.

Reserves Policy

The trustees recognise the importance of maintaining unrestricted funds which have not been designated for a specific purpose at a level to ensure that, in the event of a drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The trustees have also considered guidance from the Charity Commission and OSCR, and consider it appropriate to maintain general unrestricted funds at a level equivalent to at least 4 months of unrestricted expenditure. The general unrestricted funds of £189,409 at the year end are considered appropriate for this purpose.

Structure, governance and management

The organisation is governed by a memorandum and articles of association and was constituted as a company limited by guarantee and not having a share capital on 11 June 2001.

The Trustees, who are also the directors for the purpose of company law, and who served during the period from 1 January 2020 to the date the financial statements were approved were as follows:

M MacRae	
J Miles	
M O'Neill	(Resigned 13 October 2021)
C Jones	(Appointed 27 April 2021)
H MacIntyre	(Resigned 27 April 2021)
S Smith	(Resigned 27 April 2021)
M Leslie	(Appointed 27 September 2021 and resigned 19 December 2021)
A Nicaudie	(Appointed 29 March 2022)
C Burrow	(Appointed 27 September 2021)
L Close	(Appointed 27 September 2021)
K Gearing	(Appointed 26 July 2022)

GAIRLOCH & LOCH EWE ACTION FORUM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Gairloch and Loch Ewe Action Forum follows OSCR best practice in relation to recruitment and appointment of new trustees.

Trustees/directors are recruited annually from the charitable company membership and appointed by ordinary resolution at each AGM. Any member of the company may apply to the current board or recommend the appointment of a fellow member to become a trustee/director of the charitable company.

The Managing Director is responsible for making day-to-day operational decisions and recommendations to the Board regarding the strategic management of the charitable company. The remainder of the Board consists of volunteer trustees/directors.

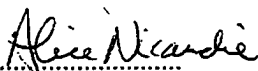
The charitable company is limited by guarantee and therefore no trustee/director has any beneficial interest in it.

The trustees/directors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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

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

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



A Nicaudie

Trustee

Dated: 28/09/2022

GAIRLOCH & LOCH EWE ACTION FORUM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF GAIRLOCH & LOCH EWE ACTION FORUM

I report to the charity trustees on my examination of the financial statements of the charity for the year ended 31 December 2021, which are set out on pages 8 to 22.

Respective responsibilities of Trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts 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 is 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 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 accounts.

Independent examiner's statement

In the course of 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 Accounting Regulations; and
 - (ii) to prepare accounts 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 accounts to be reached.

Use of our report

This report is made to the company's board of directors, as a body, in accordance with the terms of engagement. My work has been undertaken to enable me to undertake an independent examination of the charity's accounts on behalf of the company's board of directors and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's board of directors as a body, for my work or for this report.



Jamie Waugh FCA
For and on behalf of

Johnston Carmichael LLP
Clava House
Cradlehall Business Park
INVERNESS
IV2 5GH

Dated: 28/09/2022

GAIRLOCH & LOCH EWE ACTION FORUM

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

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total 2021	Total 2020
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	3	60,884	-	-	60,884	124,964
Charitable activities	4	311,021	-	137,027	448,048	272,350
Investments	5	1,439	-	-	1,439	2,082
Total income		373,344	-	137,027	510,371	399,396
Expenditure on:						
Charitable activities	6	311,269	5,626	143,938	460,833	292,993
Net income/(expenditure)		62,075	(5,626)	(6,911)	49,538	106,403
Gross transfers between funds		(51,254)	64,856	(13,602)	-	-
Net movement in funds		10,821	59,230	(20,513)	49,538	106,403
Reconciliation of Funds						
Fund balances at 1 January 2021		178,588	65,642	647,711	891,941	785,538
Fund balances at 31 December 2021		189,409	124,872	627,198	941,479	891,941

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

GAIRLOCH & LOCH EWE ACTION FORUM

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		555,113		559,019
Current assets					
Stocks	10	65,842		43,778	
Debtors	11	3,356		33,537	
Cash at bank and in hand		339,013		271,942	
		<u>408,211</u>		<u>349,257</u>	
Creditors: amounts falling due within one year	12	<u>(21,845)</u>		<u>(16,335)</u>	
Net current assets			386,366		332,922
Total assets less current liabilities			<u>941,479</u>		<u>891,941</u>
The funds of the charity:					
Restricted funds	15		627,198		647,711
Unrestricted funds:					
Designated funds	16	124,872		65,642	
Other charitable funds		<u>189,409</u>		<u>178,588</u>	
			314,281		244,230
			<u>941,479</u>		<u>891,941</u>

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 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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.

The financial statements were approved by the Trustees on 27/09/2022

Alice Nicaudie

A Nicaudie
Trustee

Company Registration No. SC220037

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Gairloch & Loch Ewe Action Forum is a charitable company limited by guarantee incorporated in Scotland. The company is also a charity registered with OSCR. The registered office is The GALE Centre, Achtercaim, Gairloch, Wester Ross, IV21 2BH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), including the provisions of Section 1A relevant to Small Entities, 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), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity is a Public Benefit Entity as defined by FRS 102.

The charity has availed itself of s396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

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 on the historical cost convention. 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 at least the next 12 months. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The trustees continue to closely monitor the financial position of the charity as a result of the risks and uncertainties caused by COVID-19. The trustees are satisfied that the charity has sufficient reserves and cash to continue to meet its liabilities as they fall due.

1.3 Charitable funds

Unrestricted funds are those which can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds that have been set aside by the trustees for a particular purpose.

Restricted funds are funds which can only be used for specific purposes as laid down by the donor. Expenditure which meets this criteria is charged to the relevant restricted fund.

1.4 Income

All income, including revenue and capital grants receivable, is recognised in the Statement of Financial Activities when there is evidence of entitlement, receipt is probable and the amount can be measured reliably.

Grants, including government grants, donations and income from investments are usually recognised once receivable, unless performance related conditions satisfy early recognition or deferral of the income. Income from charitable activities relating to various projects is recognised when receivable. Donated assets and gifts in kind are recognised as donations at their fair value at the date entitlement passes. No amounts are included in the financial statements for services donated by volunteers in relation to the operations of the GALE, as the value of the contribution cannot be reasonably quantified in financial terms.

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay, when it is probable that a transfer of economic benefits will arise and when the amount can be measured reliably. The charity is VAT registered and accordingly expenditure is shown net of recoverable VAT where relevant.

All expenditure has been classified under headings that aggregate all costs related to the category and activity on a direct basis. Expenditure on charitable activities are those costs incurred directly in the objects of the charity. Support costs comprises all costs incurred in running the charity which cannot be directly allocated to the charity's projects or to fund raising. Governance costs, which form part of expenditure on support costs, are those incurred in connection with compliance with constitutional and statutory requirements.

1.6 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:

Freehold property	2% straight line
Fixtures, fittings & equipment	20% straight line

Freehold land is not depreciated.

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

Stock is valued at the lower of cost and net realisable value. An assessment is made for impairment at each reporting date.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price.

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 costs of short-term employee benefits are recognised as a liability and an expense in the period in which the employee's services are received.

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 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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.

Critical judgements and estimates

Depreciation

The depreciation of tangible fixed assets is a key area of estimation. The useful life and residual value of fixed assets is considered and a depreciation rate applied accordingly. Details of the depreciation policies applied can be found in the accounting policies section of the notes to the financial statements.

At the year end the carrying value of tangible fixed assets was £555,113 with a depreciation charge of £19,262 being recognised in the SOFA.

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	2021 £	2020 £
Donations and legacies	10,460	4,861
COVID-19 government grants receivable	50,424	120,103
	<u>60,884</u>	<u>124,964</u>

Donations and legacies income received in the current and prior year were unrestricted in nature.

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	Grants receivable	Income from various projects	Total 2021	Total 2020
	£	£	£	£
Income from various projects	-	313,176	313,176	161,657
Grants receivable	134,872	-	134,872	110,693
	<u>134,872</u>	<u>313,176</u>	<u>448,048</u>	<u>272,350</u>
Analysis by fund				
Unrestricted funds	-	311,021	311,021	
Restricted funds	134,872	2,155	137,027	
	<u>134,872</u>	<u>313,176</u>	<u>448,048</u>	
For the year ended 31 December 2020				
Unrestricted funds	-	158,020		158,020
Designated funds	-	3,040		3,040
Restricted funds	110,693	597		111,290
	<u>110,693</u>	<u>161,657</u>		<u>272,350</u>

Included above is grant funding, recognised from the following sources:

Scottish Government - Aspiring Communities £nil (2020 - £35,193)
 Scottish Government - Adapt & Thrive £56,198 (2020 - £21,000)
 Scottish Government - Volunteering Support Fund £4,172 (2020 - £nil)
 Highland Council - Covid Recovery Co-ordination grant £5,000 (2020 - £nil)
 Scottish Government and H&I Enterprise - Communities Recovery Fund £6,768 (2020 - £25,000)
 Scottish Government and H&I Enterprise - Supporting Communities Fund £nil (2020 - £25,500)
 Scottish Government and H&I Enterprise - Kitchen Refurbishment Fund £44,898 (2020 - £nil)
 Scottish Government and H&I Enterprise - Digital Solutions Fund £8,948 (2020 - £nil)
 Scottish Government and H&I Enterprise - Graduate Placement Fund £3,771 (2020 - £nil)
 Scottish Government and H&I Enterprise - Planning for Real £5,117 (2020 - £nil)
 Highland Hospice Grant £nil (2020 - £4,000)

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Investments

	Unrestricted funds £	Total 2021 £	Total 2020 £
Interest receivable	1,439	1,439	2,082
For the year ended 31 December 2020	<u>2,082</u>		<u>2,082</u>

6 Charitable activities

	2021 £	2020 £
Staff costs (see note 8)	199,062	171,663
Depreciation	19,262	17,914
Shop and café costs	165,970	36,429
Other costs	52,752	39,425
	<u>437,046</u>	<u>265,431</u>
Support costs	17,526	18,386
Governance costs	6,261	9,176
	<u>460,833</u>	<u>292,993</u>
Analysis by fund		
Unrestricted funds	311,269	
Designated funds	5,626	
Restricted funds	143,938	
	<u>460,833</u>	
For the year ended 31 December 2020		
Unrestricted funds		213,448
Designated funds		4,366
Restricted funds		75,179
		<u>292,993</u>

Governance costs include payment to the Independent Examiner for fees of £2,650 (2020 - £2,550) for performing the independent examination.

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Trustees

During the year, Managing Director J Miles received gross remuneration of £34,434 (2020 - £31,438), the charity also paid employer pension contributions of £847 (2020 - £742). The remuneration of a trustee is permitted by section 42.1 of the charity's Memorandum and Articles of Association.

During the year the charity reimbursed expenses to two trustees of £8,617 (2020 - £59) for purchases, repairs, travel and other associated costs incurred in carrying out their duties.

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Employees	17	17
Employment costs	2021 £	2020 £
Wages and salaries	190,418	166,001
Social security costs	6,474	4,093
Employer's contribution to defined contribution schemes	2,170	1,569
	199,062	171,663

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

9 Tangible fixed assets

	Freehold property £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2021	667,289	48,014	715,303
Additions	-	15,356	15,356
At 31 December 2021	667,289	63,370	730,659
Depreciation and impairment			
At 1 January 2021	119,816	36,468	156,284
Depreciation charged in the year	13,346	5,916	19,262
At 31 December 2021	133,162	42,384	175,546
Carrying amount			
At 31 December 2021	534,127	20,986	555,113
At 31 December 2020	547,473	11,546	559,019

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Stocks

	2021 £	2020 £
Finished goods and goods for resale	65,842	43,778

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	569	1,164
Other debtors	299	-
Prepayments and accrued income	2,488	32,373
	<u>3,356</u>	<u>33,537</u>

12 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		11,224	4,846
Deferred income	13	-	400
Trade creditors		4,832	5,658
Other creditors		2,759	1,827
Accruals		3,030	3,604
		<u>21,845</u>	<u>16,335</u>

13 Deferred income

	2021 £	2020 £
Analysis of deferred income:		
Opening deferred income	400	5,234
Released in the year	(400)	(5,234)
Deferred at year end	-	400
Closing deferred income	<u>-</u>	<u>400</u>

Deferred income relates to amounts received for which entitlement to the income will arise in the next accounting period.

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the SOFA in respect of defined contribution schemes was £2,170 (2020 - £1,569).

15 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:

	Balance at 1 January 2021 £	Movement in funds		Transfers £	Balance at 31 December 2021 £
		Income £	Expenditure £		
Building Project Fund	546,964	-	(13,625)	-	533,339
Cafe Project Fund	6,249	-	-	(6,249)	-
Big Lottery	35,553	-	(1,694)	(776)	33,083
Aspiring Communities	21,215	-	-	(21,215)	-
Planning for Real	-	7,172	3,162	-	4,010
Highland Hospice	1,465	-	(630)	-	835
Adapt & Thrive	20,501	56,198	29,933	-	46,766
Communities Recovery Fund	15,764	6,768	(16,754)	(5,778)	-
Volunteer Support Fund	-	4,172	(818)	1,426	4,780
HIE Kitchen Refurbishment	-	44,998	(61,046)	16,048	-
HIE Digital Solutions	-	8,948	(12,925)	3,977	-
HIE Graduate Placement	-	3,771	(2,081)	-	1,690
Highland Council Covid Recovery	-	5,000	(124)	(2,180)	2,696
Aultbea Stories	-	-	(1,146)	1,146	-
	<u>647,711</u>	<u>130,000</u>	<u>(114,532)</u>	<u>1,112</u>	<u>627,198</u>

Information on material funds:

The Building Project Fund represents funds received from a number of providers, including The Big Lottery Fund, for the construction of The GALE Centre.

The Café Project Fund represents funds from the Scottish Government to develop a community café within The GALE Centre.

Big Lottery represents funds received from The Big Lottery Fund to further develop The GALE Centre Project and the Volunteer Programme.

The Aspiring Communities Fund represents funds received from the Scottish Government to support The GALE Centre Project and develop an Outdoor Learning Programme.

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Restricted funds

(Continued)

Adapt & Thrive represents funding to support the charity to adapt to the challenges presented by COVID-19.

Communities Recovery Fund represents funding to support those experiencing the greatest impact of COVID-19.

Volunteer Support Fund represents funding to support local communities hardest hit by COVID-19.

HIE Kitchen Refurbishment represents funding towards kitchen modifications.

HIE Graduate Placement represents funding to support the employment for a graduate to complete a 12 month placement.

Highland Council Covid Recovery represents funding to support local communities hardest hit by COVID-19.

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 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 January 2020	Movement in funds			Balance at 1 January 2021	Expenditure	Transfers	Investments gains/losses	Balance at 31 December 2021
	£	Income	Expenditure	Transfers	£	£	£	£	£
Fixed Asset Fund	12,432	-	(4,289)	2,709	10,852	(5,626)	15,356	-	20,582
Property and Renovation Fund	36,969	-	-	-	36,969	-	-	-	36,969
Volunteer Development Fund	-	3,040	(77)	14,858	17,821	-	-	-	17,821
Community Action Plan	-	-	-	-	-	-	19,000	-	19,000
Growing Project	-	-	-	-	-	-	500	-	500
Staffing Costs	-	-	-	-	-	-	30,000	-	30,000
	<u>49,401</u>	<u>3,040</u>	<u>(4,366)</u>	<u>17,567</u>	<u>65,642</u>	<u>(5,626)</u>	<u>64,856</u>	<u>-</u>	<u>124,872</u>

The Fixed Asset Fund represents funds designated in relation to purchased capital items. The fund will reduce each year in accordance with the applicable depreciation policy. The transfer reflects assets purchased during the year from general funds.

The Property and Renovation Fund represents funds designated towards future capital expenditure and renovation costs.

The Volunteer Development Fund represents funds designated to support the Volunteer Programme. This fund was previously a restricted fund but as the initial restriction no longer exists the balance has been transferred to designated funds.

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:								
Tangible assets	-	20,582	534,541	555,113	-	10,852	548,167	559,019
Current assets/(liabilities)	189,409	104,290	92,657	386,366	178,588	54,790	99,544	332,922
	<u>189,409</u>	<u>124,872</u>	<u>627,198</u>	<u>941,479</u>	<u>178,588</u>	<u>65,642</u>	<u>647,711</u>	<u>891,941</u>

GAIRLOCH & LOCH EWE ACTION FORUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2021 £	2020 £
Aggregate compensation	<u>38,819</u>	<u>35,245</u>

Total aggregate compensation disclosed includes gross pay, employer national insurance contributions and employer pension contributions.

During the year M MacRae, director of the charitable company, received £2,876 (2020 - £5,896) from the sale of cakes to customers at The GALE Centre.