



Alexander Sloan
Accountants and Business Advisers

Company Registration No. SC344339 (Scotland)
(a company limited by guarantee)

FREE WHEEL NORTH

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Charity Registration No. SC039789 (Scotland)



FREE WHEEL NORTH

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Norman Armstrong Ian Couchman Paul Clark Richard Mann	(Appointed 25 August 2020)
Secretary	Norman Armstrong	
Charity number (Scotland)	SC039789	
Company number	SC344339	
Principal and Registered office	3/1 47 Braeside Street Glasgow G20 6QT	
Website address	www.freewheelnorth.org.uk	
Independent examiner	Alan Cunningham, C.A. Alexander Sloan Accountants and Business Advisers 180 St Vincent Street Glasgow G2 5SG	
Bankers	The Co-operative Bank Plc PO Box 250 Skelmersdale WN8 6WT	

FREE WHEEL NORTH

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FREE WHEEL NORTH

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The Directors present their report and financial statements for the year ended 30 June 2020.

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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), Companies Act 2016 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 charitable objectives are as follows

- a) The advancement of health, mental and physical.
- b) The advancement of citizenship and community development, by encouraging volunteering, community engagement and regeneration through physical, social and economic infrastructure improvements.
- c) The provision of recreational facilities and activities with the object of improving the conditions of life for members of the public at large, but with a special emphasis on persons who have need of them through disability.
- d) Promotion of equality and diversity through campaigning on behalf of disabled people for better access to the outdoor environment.

The charity's principal activities are cycling projects either facilitating and running cycling activity, or advisory, working with local authorities and cycling organisations to bring about changes that improve walking and cycling infrastructure.

Achievements and performance

2020 was a difficult year for reasons that hardly need explaining. Everything seemed normal until March and the Glasgow Green Cycling Centre was getting busy as spring approached. Our Whitehouse Café in Maryhill had just undergone a transformation ready for the new season. Construction of the café at Glasgow Green, funded by the STV People's Project was underway with a projected opening date of June 2020. We anticipated strong growth in all aspects of our work, building on the 40,000 visitors to the Cycling Centre in 2019. Sustainable enterprise was built into a café/cycling strategy.

January and February saw some interesting developments. A successful application to the National Lottery Community Fund meant we could employ a second instructor for the Boomerang wood recycling project, enabling more trade and providing more classes in therapeutic woodwork.

We were commissioned by Ice Cream Architecture to undertake the practical and academic parts of a project to grow cycling in South Lanarkshire. The practical side involved bikeability training in six primary schools. Luckily this was completed by early March. The academic part was to research the area's active travel potential. The project was to have involved visiting the area. But this was ruled out by the pandemic and the work was carried out using Google Maps, during April. The substantial report has been distributed among members of the Scottish and UK parliaments. This research anticipates the direction of Free Wheel North in that it marks our intention to become a strategic body for the development of green transport.

The first lockdown brought all activities to a halt, and all hands-on work ceased during April, May and June. Staff were furloughed and were in and out of furlough in subsequent months. From July the Cycling Centre tentatively reopened albeit with a much-reduced capacity and a strict booking system that respected social distancing. A "booster" grant from BBC Children in Need helped the restart. Mass participation projects became more intimate events and group community rides for up to 30 participants transformed into one-on-one buddy rides, which turned out to be a great boon to mental health in a time of stress.

FREE WHEEL NORTH

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Towards the end of summer, the pandemic seemed to be going away and the café at the Whitehouse opened, focusing on healthy home-made food. The long-anticipated synergies between cycling and nutrition were proving real as the Whitehouse Bike-Shop flourished. Cycle repairs were boosted by Cycling UK's voucher scheme, whereby every customer was given £50 per service.

After long delays caused by problems with the contractor, the Glasgow Green Café opened in October and proved immediately popular. Unfortunately, the second wave hit and all our activities either ceased or were restricted. However, several funding schemes coming from the Scottish Government helped us adapt. Both cafés received aid to refocus on takeaway. We added gazebos, takeaway hatches, ventilations systems and additional doors and windows.

At Glasgow Green the takeaway model is very successful and the Centre is busy at the weekends with passing cyclists needing coffee and cake. Cycling Scotland provided funding to develop a bike service and repair shop next to the café and we see the same cycling-food synergies as in the Whitehouse.

During late 2020, Free Wheel North began developing the Whitehouse as a centre for community action. Residents got together to form a group initially called Reclaim Maryhill Road. A launch event attracted all the local politicians as well as many local residents. The purpose of the project was to gain power for the people of Maryhill, to demand the right to healthy, active places, free from pollution and inclusive of everyone, regardless of ability. The human rights angle motivated a change in name to Maryhill Matters, inspired by Black Lives Matter and reflecting the fact that people from ethnic minorities are disproportionately affected by environmental injustice.

In December 2020 we were successful in our application to the Rank Foundation to employ a Time to Shine Leader. Ryan Bharaj joined our team in January 2021 and his mission is to market, brand and publicise the work of Free Wheel North, especially in respect of Maryhill Matters, raising the profile of the charity as an organisation of strategic significance.

Over the last 12 years, Free Wheel North has proven its ability to transform ideas into action. It has done so mostly at the level of grass-roots projects. More recently it has shown itself to be also a source of ideas transferable to society in general. Maryhill Matters is a pilot for Free Wheel North's policy significance, as a leading light of active travel in Scotland and as champion of social justice and public space.

2021 is an exciting prospect with two developments close to fruition. The first is the transformation of a railway arch in the Gorbals into a recycling, design and build depot for inclusive and diverse bikes. We are engaging the UCI Cycling world championship committee for support and universities for research and development. The arch would be a lever of inclusive street design.

The second major project will replicate the Glasgow Green Cycling Centre in the Wyndford estate of Maryhill. This would be a satellite of the Whitehouse and provide a large-scale all ability facility in a densely populated area of multiple deprivation.

In November 2021, Glasgow is hosting the international climate conference - COP 26. Free Wheel North has applied to be an exhibitor, demonstrating the power of inclusive cycling. Our aim is to entertain climate activist, Greta Thunberg, by joining us on our seven-seater conference bike, along with a few heads of state, thus combining ideas and action in a way that is the hallmark of Free Wheel North.

Financial review

The Statement of Financial Activities on page 7 indicates both Net Expenditure (i.e. a Deficit) and negative Net Movement in Funds for the year of £24,469. Additions to Fixed Assets during the year of £109,925 as per Note 10 were financed by Restricted Funds (£96,702) and the General Fund (£12,530). At 30 June 2020, the charity had total funds of £288,686 (2019: £313,155) of which £224,641 (77%) were tied up in fixed assets.

Reserves Policy

It is the policy of the charity to maintain Unrestricted Funds (i.e. funds not committed or invested in fixed assets) at a level which equates to approximately three months of unrestricted expenditure. Unrestricted Funds per the General Fund (page 7) at 30 June 2020 amounted to £21,277 (2019 - £67,015) which, although below the required level of £28,735, was acceptable to the Directors.

FREE WHEEL NORTH

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Risk Management

The Directors has 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.

Structure, governance and management

Free Wheel North, ("the charity") was incorporated on 13 June 2008 as a company limited by guarantee, (No. SC344339), governed by its Memorandum and Articles of Association and is a Scottish Charity (No. SC039789).

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

Norman Armstrong

Joseph Connelly

(Resigned 2 February 2020)

Ian Couchman

Paul Clark

Rachael Halifax

(Resigned 10 March 2021)

Richard Mann

(Appointed 25 August 2020)

Appointment of Directors

New Directors are elected annually. New Directors take part in an induction programme which aims to familiarise them with the charity's values, aims and objectives together with its day-to-day operations, in addition to clarifying their statutory responsibilities as Directors of a company limited by guarantee and Trustees of a charity.

Organisational structure

The Directors are responsible for the overall direction of the charity and serve voluntarily. See also Note 7.

Key management personnel and remuneration

The Directors consider themselves as the charity's key management personnel in charge of directing and controlling the charity and overseeing its daily activities. Details of remuneration paid to Norman Armstrong, Director, are provided in Note 7.

Covid-19

The Directors gratefully acknowledge the many foundations, Trusts and grant giving bodies that have supported Free Wheel North during difficult times. The National Lottery Community Fund and The Robertson Trust combined to enable the charity to survive Covid-19 by permitting flexibility and understanding regarding outcomes and timescales. The Glasgow Green Café was launched in October 2020 thanks to STV Lottery funding. The Smarter Choices Smarter Places Fund recognised that many of our usual activities have not been possible and have allowed us to re-attribute funding to organisational overheads and to adapt our work to smaller scales, such as the one to one Buddy Rides.

BBC Children in Need provided Booster funding to facilitate reopening of the Glasgow Green operation and Cycling UK helped facilitate the growth in cycling with the voucher repair scheme, which we introduced at both our bike shops. Cycling Scotland funded the development of our bike shop as a Covid response, and the Corra Foundation supported organisational overheads through the hardest times of the lockdown.

Assistance has continued after the financial year end, with generous recovery funding from the National Lottery Community Fund and hospitality recovery funding from the UK Government administered by Glasgow City Council. Both cafes in addition have received capital help from Scottish Government sources, such as the Resilience Fund and Love Local. These funds not only enable recovery but assist with long term improvements for increasing capacity. We are grateful for all this support and anticipate strong growth because of it.

The Directors continue to update their plans for the remainder of the current financial year and will ensure that the charity continues to be reactive to the ongoing implications of Covid-19. Having received significant funding during the current accounting year, the Directors are confident that the charity has sufficient financial strength to pull through Covid-19 and continue its important work. See also Note 19.

FREE WHEEL NORTH

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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

Norman Armstrong

Norman Armstrong
Director
Dated: 17 March 2021

FREE WHEEL NORTH

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2020

The Directors, who are also the Trustees for the purpose of charity law, are responsible for preparing the Directors' 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 Directors 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 Directors 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.

FREE WHEEL NORTH

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF FREE WHEEL NORTH

I report on the financial statements of the charity for the year ended 30 June 2020, which are set out on pages 7 to 25.

Respective responsibilities of Directors and examiner

The charity's Directors, who also act as Trustees for the charitable activities of Free Wheel North, 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 Directors 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 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 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; 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.

Alan Cunningham

Alan Cunningham, C.A.
Alexander Sloan
Accountants and Business Advisers
180 St Vincent Street
Glasgow
G2 5SG
17/3/2021
Dated:

FREE WHEEL NORTH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

Current financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
	Notes					
Income from:						
Donations	3	31,028	-	1,387	32,415	12,707
Income from charitable activities	4	-	-	157,968	157,968	143,587
Other trading activities	5	51,400	-	3,574	54,974	69,237
Total income		82,428	-	162,929	245,357	225,531
Expenditure on:						
Cost of charitable activities	6	114,943	27,889	126,994	269,826	227,959
Net income/(expenditure) before transfers		(32,515)	(27,889)	35,935	(24,469)	(2,428)
Gross transfers between funds	14/15	(13,223)	109,925	(96,702)	-	-
Net movement in funds		(45,738)	82,036	(60,767)	(24,469)	(2,428)
Fund balances at 1 July 2019		67,015	142,595	103,545	313,155	315,583
Fund balances at 30 June 2020		21,277	224,631	42,778	288,686	313,155

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 Companies Act 2006.

The notes on pages 11 to 25 form an integral part of these financial statements.

FREE WHEEL NORTH

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

Prior financial year

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total
	Notes	2019 £	2019 £	2019 £	2019 £
Income from:					
Donations	3	12,707	-	-	12,707
Income from charitable activities	4	-	-	143,587	143,587
Other trading activities	5	63,242	-	5,995	69,237
Total income		<u>75,949</u>	<u>-</u>	<u>149,582</u>	<u>225,531</u>
Expenditure on:					
Cost of charitable activities	6	67,966	25,121	134,872	227,959
Net income/expenditure before transfers		<u>7,983</u>	<u>(25,121)</u>	<u>14,710</u>	<u>(2,428)</u>
Gross transfers between funds	14/15	(7,223)	47,397	(40,174)	-
Net movement in funds		<u>760</u>	<u>22,276</u>	<u>(25,464)</u>	<u>(2,428)</u>
Fund balances at 1 July 2018		<u>66,255</u>	<u>120,319</u>	<u>129,009</u>	<u>315,583</u>
Fund balances at 30 June 2019		<u><u>67,015</u></u>	<u><u>142,595</u></u>	<u><u>103,545</u></u>	<u><u>313,155</u></u>

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

All income and expenditure derive from continuing activities.

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The notes on pages 11 to 25 form an integral part of these financial statements.

FREE WHEEL NORTH

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		224,631		142,595
Current assets					
Debtors	11	20,069		22,393	
Cash at bank and in hand		87,386		219,812	
		<u>107,455</u>		<u>242,205</u>	
Creditors: amounts falling due within one year	12	<u>(43,400)</u>		<u>(71,645)</u>	
Net current assets			64,055		170,560
Total assets less current liabilities			<u>288,686</u>		<u>313,155</u>
Income funds					
Restricted funds	14		42,778		103,545
<u>Unrestricted funds</u>					
Designated funds	15	224,631		142,595	
General unrestricted funds		<u>21,277</u>		<u>67,015</u>	
			<u>245,908</u>		<u>209,610</u>
			<u>288,686</u>		<u>313,155</u>

FREE WHEEL NORTH

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2020.

The Directors acknowledge their 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 incoming resources and application of resources, including 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 Directors on 17 March 2021

Norman Armstrong

Paul Clark

Norman Armstrong
Director

Paul Clark
Director

Company Registration No. SC344339

The notes on pages 11 to 25 form an integral part of these financial statements.

FREE WHEEL NORTH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Charity information

Free Wheel North is a private company limited by guarantee incorporated in Scotland. The registered office is 3/1 47 Braeside Street, Glasgow, G20 6QT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), Companies Act 2016 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 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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Covid-19 pandemic has created a degree of uncertainty and the Directors have assessed its potential impact on the finances and future of the charity. The Directors consider that there are no material uncertainties about the charity's ability to continue as a going concern and the financial statements have been prepared on a going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Directors 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.

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 is recognised at the time of the donation.

Income from Charitable Activities

Income from charitable activities includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Income from charitable activities is recognised as earned (as the related goods or services are provided).

FREE WHEEL NORTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Grants receivable

Income from government and other grants, whether 'capital' or 'revenue' in nature, are recognised when the charity has unconditional entitlement to the funds, it is probable that the income will be received, the amount can be measured reliably. Unconditional entitlement will be achieved once any performance or other conditions attached to the grants have been met, or fulfilment of those conditions is wholly within the control of the charity.

Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released

Other trading activities

Income from other trading activities includes income earned from both trading activities to raise funds for the charity and income from fundraising events and is recognised when the charity has entitlement to the funds, it is probable that these will be received and the amounts can be measured reliably.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Expenditure on Charitable Activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The costs of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

Governance costs

Governance costs (which are included as a component of support costs in accordance with SORP) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny (audit or independent examination), strategic management, and other legal and professional fees.

Activity based reporting

To comply fully with the Statement of Recommended Practice would require income and expenditure to be reported by activity. The Directors are of the opinion that the activities of the charity are inter-linked, therefore this would be impractical to calculate and would provide no additional benefit to the users of these financial statements. Therefore no further analysis of income and expenditure is provided within these financial statements.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

FREE WHEEL NORTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Pensions

The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

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:

Leasehold improvements	The Whitehouse, Maryhill - 20% straight line Glasgow Green - straight line over 15 years
Fixtures, fittings and equipment	25% 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 net income/(expenditure) for the year.

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 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.

1.9 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.

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.

FREE WHEEL NORTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 Retirement benefits

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

1.12 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2 Critical accounting estimates and judgements

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

FREE WHEEL NORTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

3 Donations

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £
Donations and gifts	16,028	1,387	17,415	11,707
Grants	15,000	-	15,000	1,000
	<u>31,028</u>	<u>1,387</u>	<u>32,415</u>	<u>12,707</u>
Grants receivable for core activities				
Tesco Bags for Help	-	-	-	1,000
The Virgin Money Foundation	2,000	-	2,000	-
The Corra Foundation (Third Sector Resilience Fund)	13,000	-	13,000	-
	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>1,000</u>

4 Income from charitable activities

	2020 £	2019 £
Performance related grants	<u>157,968</u>	<u>143,587</u>
Performance related grants		
The Big Lottery Fund (Medium Grants Scotland)	30,000	30,000
Culture and Sport Glasgow	1,200	-
Glasgow City Council	-	40,274
Cycling UK	2,800	-
Smarter Choices, Smarter Places	23,523	42,313
National Lottery Community Fund (Medium Grants Scotland)	1,157	-
The Robertson Trust	11,000	11,000
BBC Children in Need	10,000	10,000
National Lottery Community Fund (The People's Project)	50,000	10,000
Job Retention Scheme	28,288	-
	<u>157,968</u>	<u>143,587</u>

FREE WHEEL NORTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

5 Other trading activities

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Commissioned Events	13,734	-	13,734	8,219	-	8,219
Bike Repairs	6,367	-	6,367	11,583	-	11,583
Group Cycle Training	26,478	-	26,478	39,839	-	39,839
Venue Hire	2,400	-	2,400	1,010	-	1,010
Bespoke Cycle Training	2,421	-	2,421	2,591	-	2,591
Wood Classes	-	3,574	3,574	-	5,995	5,995
Other trading activities	51,400	3,574	54,974	63,242	5,995	69,237

6 Cost of charitable activities

	2020 £	2019 £
Staff costs	144,341	117,360
Depreciation and impairment	27,889	25,121
Premises costs	31,729	32,715
Running costs	59,633	46,927
Governance costs	6,234	5,836
	269,826	227,959
	269,826	227,959
Analysis by fund		
Unrestricted funds - general	114,943	67,966
Unrestricted funds - designated	27,889	25,121
Restricted funds	126,994	134,872
	269,826	227,959

7 Directors' remuneration and expenses

Remuneration of £6,615 (Per Note 8) was paid to Norman Armstrong, Director, in his role as the charity's Development Worker and in accordance with Sections 50 to 52 of the charity's Articles of Association.

No Director was reimbursed expenses during the year (2019 - £Nil). See also Note 18.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Employees	14	10
Seasonal workers	3	3
	<u>17</u>	<u>13</u>

Employment costs

	2020 £	2019 £
Director's salary	6,615	6,315
Wages and salaries	131,929	106,662
Social security costs	3,742	2,746
Other pension costs	1,725	1,337
	<u>144,341</u>	<u>117,360</u>

The remuneration of key management personnel during the year including employer's contributions to national insurance and pensions was £31,538 (2019 - £34,424).

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

9 Net income/(expenditure) for the year

	2020 £	2019 £
Net income/(expenditure) for the year is stated after charging:		
Independent examiner's remuneration	5,628	5,328
Depreciation of owned tangible fixed assets	27,889	25,121
Operating lease charges	10,690	10,690
	<u></u>	<u></u>

FREE WHEEL NORTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

10 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 July 2019	167,579	79,072	246,651
Additions	103,395	6,530	109,925
At 30 June 2020	270,974	85,602	356,576
Depreciation and impairment			
At 1 July 2019	33,331	70,725	104,056
Depreciation charged in the year	23,073	4,816	27,889
At 30 June 2020	56,404	75,541	131,945
Carrying amount			
At 30 June 2020	214,570	10,061	224,631
At 30 June 2019	134,248	8,347	142,595
Analysis of cost by location			
Glasgow Green	119,791		
The Whitehouse, Maryhill	151,183		
	270,974		

11 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	20,069	22,393

12 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Deferred income	13	36,093	58,250
Accruals and deferred income		7,307	13,395
		43,400	71,645

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

13 Deferred income

	1 Jul 19	Receipts in year	Released in year	31 Jul 20
	£	£	£	£
Grants				
Robertson Trust	8,250	11,000	(11,000)	8,250
The National Lottery Community Fund (The People's Project)	50,000	-	(50,000)	-
The National Lottery Community Fund (Medium Grants Scotland)	-	29,000	(1,157)	27,843
	<u>58,250</u>	<u>40,000</u>	<u>(62,157)</u>	<u>36,093</u>

FREE WHEEL NORTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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:

	Balance at 1 July 2018 £	Movement in funds			Balance at 1 July 2019 £	Movement in funds			Transfers £	Balance at 30 June 2020 £
		Income £	Expenditure £	Transfers £		Income £	Expenditure £	Transfers £		
Smarter Choices, Smarter Places Fund	-	42,313	(42,413)	100	-	23,523	(23,600)	77	-	-
Boomerang Project Fund	15,345	16,995	(9,996)	-	22,344	17,118	(13,444)	-	-	26,018
Glasgow Green Staffing Fund	12,702	40,000	(38,692)	-	14,010	40,000	(41,637)	-	-	12,373
Glasgow Green Transport (Capital Fund)	50,660	-	-	-	50,660	-	(10,811)	(37,462)	2,387	-
Glasgow Green Transport (Revenue Fund)	50,302	-	(43,771)	-	6,531	-	(7,000)	469	-	-
The Whitehouse (Capital Fund)	-	40,274	-	(40,274)	-	-	-	-	-	-
Cabins and Café Fund	-	10,000	-	-	10,000	50,000	(67)	(59,933)	-	-
Led Rides Fund	-	-	-	-	-	2,000	(2,147)	147	-	-
Cycling Repair Scheme Fund	-	-	-	-	-	2,000	-	-	2,000	-
Job Retention Scheme Fund	-	-	-	-	-	28,288	(28,288)	-	-	-
	129,009	149,582	(134,872)	(40,174)	103,545	162,929	(126,994)	(96,702)	42,778	

FREE WHEEL NORTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

14	Restricted funds	(Continued)
	Purposes of Restricted Funds	
	Smarter Choices, Smarter Places Fund	
	Represents grant funding received from Paths for All via Glasgow City Council to encourage active travel. During the year ended 30 June 2020, £77 was transferred from the General Fund (Unrestricted) to absorb the deficit on this Fund. The Fund was expended at 30 June 2020.	
	Boomerang Project Fund	
	Represents grant funding received from The Robertson Trust and the National Lottery Community Fund towards the operating costs of the Boomerang Project supplemented by income arising from Wood Classes and Commissioned Projects.	
	Glasgow Green Staffing Fund	
	Represents grant funding received from BBC Children in Need and the Big Lottery Fund (Medium Grants Scotland) to finance the employment costs of Project staff at the charity's Glasgow Green site.	
	Glasgow Green Transport (Capital Fund)	
	Represents grant funding from Glasgow City Council towards capital projects at the charity's Glasgow Green site including portacabin cycle repair, shop cabin and equipment, toilet cabin, office cabin, cycle track widening and extension and various inclusive cycles. The transfer of £37,462 during the year ended 30 June 2020 to the Designated Assets Fund (Unrestricted) related to the financing of fixed assets during the year.	
	Glasgow Green Transport (Revenue Fund)	
	Represents grant funding received during the year ended 30 June 2018 from Scottish Government via Transport Scotland towards the employment costs of specific Project staff at the charity's Glasgow Green site. During the year ended 30 June 2020, £469 was transferred from the General Fund (unrestricted) to absorb the deficit on this Fund. The Fund was expended at 30 June 2020.	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

14	Restricted funds	(Continued)
	The Whitehouse (Capital Fund) Represents grant funding received from Glasgow City Council (Smarter Choices, Smarter Places) to finance the ongoing redevelopment (and related repair costs) of The Whitehouse building in Maryhill as a travel hub, visitor centre and café. The transfer of £40,274 during the year ended 30 June 2019 to the Designated Assets Fund (Unrestricted) related to the financing of fixed assets at The Whitehouse building in Maryhill, Glasgow. The Fund was expended at 30 June 2019.	
	Cabins and Café Fund Represents grant funding received from Awards for All Scotland (National Lottery) to finance improvements at the charity's Cycling Centre. The transfer of £59,933 during the year ended 30 June 2020 to the Designated Assets Fund (Unrestricted) related to the financing of fixed assets during the year. The Fund was expended at 30 June 2020.	
	Led Rides Fund Represents funding received from Culture and Sport to finance led rides from the charity's Whitehouse building in Maryhill. During the year ended 30 June 2020, £147 was transferred from the General Fund to absorb the deficit on this Fund.	
	Cycling Repair Scheme Fund Represents funding received from Cycling UK (£2,000) to finance the charity's participation in the Big Bike Revival for Key Workers (Scotland).	
	Job Retention Scheme Fund Represents furlough funding from the UK Government to support salary costs during the Covid-19 pandemic.	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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 Directors for specific purposes:

	Balance at 1 July 2018 £	Expenditure £	Transfers £	Balance at 1 July 2019 £	Expenditure £	Transfers £	Balance at 30 June 2020 £
Designated Assets Fund	120,319	(25,121)	47,397	142,595	(27,889)	109,925	224,631
	120,319	(25,121)	47,397	142,595	(27,889)	109,925	224,631

Purposes of Designated Funds

Designated Assets Fund

The Designated Assets Fund represents the net book value of the charity's fixed assets which would not be readily convertible into cash. The transfer of £109,925 related to the purchase of fixed assets during the year ended 30 June 2020 as financed (1) £12,530 from the General Fund (Unrestricted), (2) £59,933 from Cabins and Café Fund (Restricted) and (3) £37,462 from Glasgow Green Transport (Capital Fund) (Restricted).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

16 Analysis of net assets between funds	Unrestricted General funds		Unrestricted Designated funds		Restricted funds		Unrestricted General funds		Unrestricted Designated funds		Restricted funds		Total	
	2020	£	2020	£	2020	£	2019	£	2019	£	2019	£	2019	£
Fund balances at 30 June 2020 are represented by:														
Tangible assets	-		224,631		-		-		142,595		-		142,595	
Current assets/(liabilities)	21,277		-		42,778		67,015		-		103,545		170,560	
	21,277		224,631		42,778		67,015		142,595		103,545		313,155	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	10,690	10,690
Between two and five years	42,760	42,760
In over five years	29,334	34,930
	<u>82,784</u>	<u>88,380</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

19 Covid-19

At the date on which the financial statements were approved, the full financial implications resulting from the Coronavirus (Covid-19) outbreak which has affected the UK from March 2020 remained uncertain. With a change in the charity's operational activities during lockdown and, having assessed the possible impact of Covid-19 on the charity's projected income, expenditure and its assets, the Directors are of the opinion that the charity's assets are not impaired.