

REGISTERED COMPANY NUMBER: SC396186 (Scotland)
REGISTERED CHARITY NUMBER: SC004057

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2023
FOR
ARRAN COMMUNITY AND VOLUNTARY SERVICE**



Cornerstone Accountants
90 Mitchell Street
Glasgow
Lanarkshire
G1 3NQ

ARRAN COMMUNITY AND VOLUNTARY SERVICE

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FOR THE YEAR ENDED 31 MARCH 2023**

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ARRAN COMMUNITY AND VOLUNTARY SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS102 'Accounting and Reporting by Charities' (revised in 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC396186 (Scotland)

Registered Charity number

SC004057

Registered office

Park Terrace
Lamlash
Isle of Arran
KA27 8NB

Trustees

W Calderwood	Chairperson
A Henderson	Director
A McNamara	Director
J S Lees	Vice - Chairman
M Currie	Director
J Nichols	Director

Independent examiner

Cornerstone Accountants
90 Mitchell Street
Glasgow
Lanarkshire
G1 3NQ

Bankers

Royal Bank of Scotland
Shore Road
Brodict
Isle of Arran
KA27 8AP

Solicitors

Burness
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

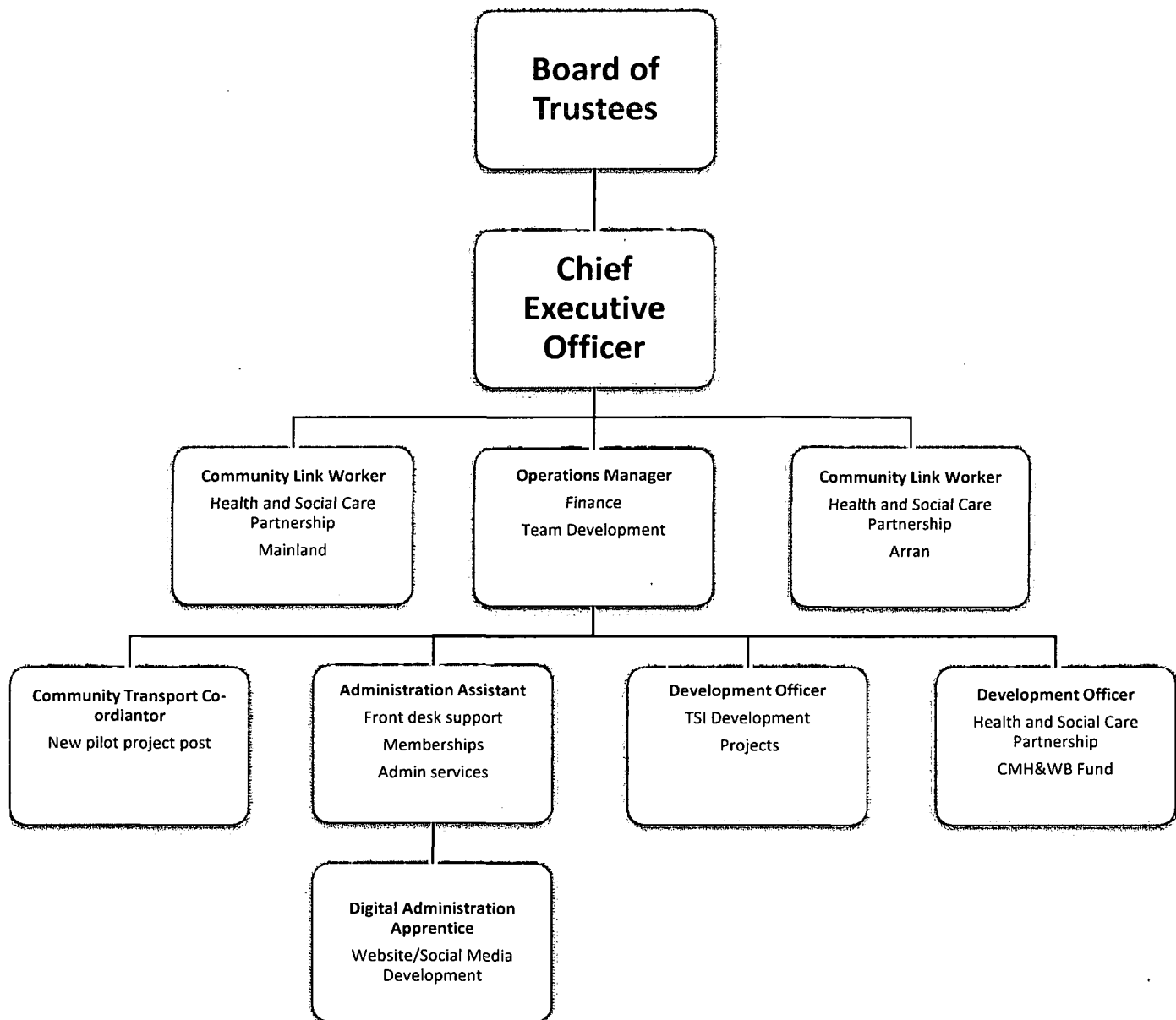
INCORPORATION AND COMMENCEMENT OF ACTIVITIES

The charity was incorporated on 23 March 2011 and commenced activities on 1 April 2011.

ARRAN COMMUNITY AND VOLUNTARY SERVICE

REPORT OF THE TRUSTEES - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT



Governing document

The charity is controlled by its governing document, its Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

Charity Trustees are recruited as Volunteer Directors, consisting of up to 15 members, on an annual basis. They are representatives of Voluntary organisations and other bodies concerned with social welfare on the Isle of Arran each having specialist knowledge or experience of the work of the CVS.

Risk management

The trustees have reviewed the risks to which the charity is exposed and have established systems and procedures to manage those risks. Key risk identified is reliance on the Scottish Government grant for continued delivery of services. Unfunded projects which utilised some staff time have been reviewed and addressed and this is no longer an issue, however, the situation may change post pandemic, and we will continue to review regularly. The trustees have brought reserves into line with recognised demands, these will be reviewed quarterly.

Based on a number of risk factors it was agreed that reserves should reflect full three months of operating costs. These risks include the continued reliance on Scottish Government funding, the split of which is agreed with a partner organisation, and on Health and Social Care Partnership funding which continues to be agreed on an annual basis. The HSCP funding for contracts of employees within the organisation and carrying out additional TSI capacity could be viewed as interdependent on the continuation of Scottish Government funding and vice versa.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable objects of Arran Community and Voluntary Service (Arran CVS) are as follows:

- to promote any charitable purposes for the benefit of the inhabitants of the Isle of Arran, and in particular, the advancement of education, the furtherance of health and the relief of poverty, distress, and sickness.
- to promote and organise co-operation in the achievement of the above purposes and to that end, bring together in council representatives of the voluntary organisations with statutory authorities engaged in the furtherance of the above purposes within the Isle of Arran.
- to do all other things as will properly attain the above purposes.

As a partners in the Third Sector Interface

The charity works in partnership with The Ayrshire Community Trust (TACT) to form one of 32 interfaces spread geographically throughout Scotland commonly known as the TSI Network. As a partnership TSI North Ayrshire report directly to the Third Sector Unit on a bi-annual basis. Arran CVS is also affiliated to the Scottish Council for Voluntary Organisations (SCVO).

Our vision is of improved quality of life for the people and community of North Ayrshire and Arran by building a strong, effective, and sustainable Third Sector.

A review of the TSI remit was conducted in 2017. In collaboration with Evaluation Support Scotland, the Scottish Government and the TSI network an outcome framework was agreed defining the functions of the interface funded by the Third Sector Unit. These are as follow:

- **To be a central source of knowledge about;** Third Sector locally; Local and national policy and how it might affect local TS, communities, and citizen: How Third sector can contribute to those agendas dependent upon local context (needs, other providers etc.)
- **Voice;** Ensuring a strong third sector voice at a strategic level within local planning structures and nationally
- **Build capacity;** Developing the capacity of volunteering, community groups, voluntary organisations, and social enterprise to achieve positive change
- **Connect;** Providing leadership, vision, and coordination to the local third sector to better respond to local priorities, including through partnership and collaboration

ARRAN COMMUNITY AND VOLUNTARY SERVICE

REPORT OF THE TRUSTEES - CONTINUED FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During this financial year Arran CVS worked as part of the Third Sector interface to lead on the administration and dissemination of Year 2 of the Communities Mental Health & Wellbeing Fund on behalf of the Scottish Government:

- The fund was delivered in partnership with The Ayrshire Community Trust, North Ayrshire Council and North Ayrshire Health & Social Care Partnership.
- In Year 2 of this fund, North Ayrshire TSI was awarded £404,782 to distribute. As a result of the contributions from The Green Health Partnership (£37,000), North Ayrshire Council (£34,324) and the Children, Families and Young People Communities Mental Health & Wellbeing Fund (£30,876), a total of 55 projects with a combined value of £506,982 have been funded. All funds were disbursed to the groups in January 2023.

Supporting Health and Social Care outcomes

In a TSI capacity role we hold responsibility for third sector health & social care and children's services. Arran CVS continue to provide liaison for the 3rd Sector at Integration Joint Board, the Strategic Planning Group, Mental Health Strategic Partnership, Children Services Strategic Partnership, Alcohol and Drugs Partnership, Community Mental Health Steering Group, Workforce Planning, Green Health Partnership, Corporate Parenting Group and Adult Protection Committee and chair the Community Engagement Network.

As TSI North Ayrshire lead officer for Health and Social Care and Children's Services our CEO is chair respectively each of these provider forums. Both forums are quarterly. The forums provide information, opportunity for networking and discussion around any aspect which may affect or enhance the support a service is providing. This work aligns with other strategic meetings which involve and support the third sector in line with core TSI responsibilities. As part of this we have;

- Actively sought out links to partnership working around the planning and delivery of the Whole Family Wellbeing Fund to ensure inclusion of third sector partners. Supported 2 workshops and tests of change involving third sector projects. From this engagement a process was put in place for Third Sector organisations to access the fund if their activity fits the criteria of the local authority and needs of the community.
- Supporting Needs Collaborative Improvement Days: The Third Sector Interface North Ayrshire collaborated with the partnership to deliver 2 marketplace events as part of this day, providing an opportunity for colleagues from across the education directorate, to meet a range of third sector organisations and groups offering services within our local communities to families, especially those with additional support needs.
- HIS Day Opportunities Collaborative: The Third Sector Interface North Ayrshire, along with colleagues from the partnership and third sector, participated in a taskforce exploring ways to enhance the service proposition at Trindlemoss Day Care Opportunities. As part of this process, new and exciting relationships with third sector organisations are being formed, that will increase the diversity of activities, and support service users to become more embedded within their own local communities.
- We continue to employ two Community Link Workers (CLW). The Arran CLW has delivered a total of 467 appointments in 2022/23. This year they handed over facilitation of the Arran Alcohol and Drugs (AADS) Families Support group to the new AADS support worker but continues to support the Multi-Disciplinary (Frailty) Team (MDT) meetings. These focus on prevention & early intervention through supporting care within the community. The Arran CLW also attends the North Ayrshire Steering Group and Patient Participation Group Meetings each month. The mainland link worker continues to work alongside the health & social care partnership MDT team.

ARRAN COMMUNITY AND VOLUNTARY SERVICE

REPORT OF THE TRUSTEES - CONTINUED FOR THE YEAR ENDED 31 MARCH 2023

Provided Opportunities to Connect

- Locally Arran CVS have been working closely as part of the Arran Island Plan Group. The TSI are leading on some of the priorities which sit within the Communities theme, the 3 themes are Economy, Environment and Community. Feeding into the Locality Partnership as does a recent report on Island Skills funded by Island Skills Fund initiative, created by knowledge gathered by the TSI development officer. The TSI are pivotal in the development of the Community working group having oversight and reporting responsibilities on the delivery of the plan.
- Over the course of the year Arran CVS have provided networking opportunities via in person forums. There were two forum meetings over the course of the year with 32 organisations attending to hear presentations from Arran Community Resilience, Safe & Warm Energy Advice (Renfrewshire CAB), Eco Savvy (moving your organisation towards Net Zero), Heather Lodge (Getting There project).
- Hosted a CMH&WB Fund Event to celebrate Year 1 and Launch Year 2 resulted in over 77 attendees from groups and statutory services collaborating around addressing local needs, identifying gaps in service and creating a series of actions to provide improved support going into Year 2.

Supported Grant funding applications for community organisations

- In depth assistance for 10 organisations with governance, funding applications and letters of support.
- Assisted in the development of the role description and KPIs for appointment of an Island Support Worker for a 2-year period, tendered via PCS and awarded contract to Turning Point Scotland for support of the role. Acted as conduit for funding of the role in Year 1, commencing in August 2022.

Provided platforms for community engagement

- Promoted and supported the Scottish Census campaign including arranging venue for engagement, sharing news within networks and on social media. Provided support to Arran residents finding difficulty accessing the online questionnaire.
- Facilitated Project Neptune, a Scottish Government public consultation, regarding the effectiveness of the present management structures in delivering our ferry Services.
- Arran Mini Inquiry which took place in Brodick in February 2023, a drop-in session followed by a sit-down discussion with around 15 people in attendance. North Ayrshire Council led the event which sought to gather opinions on: what support currently exists; what is missing; what can be done better; and what resources are needed to achieve a better outcome.

Supported capacity building

- Arran CVS have previously facilitated regular opportunities to bring groups and organisations together to network, share information and collaborate on projects and pieces of work which support the local community. The forum specifically looked at the needs of groups and organisations on the Island, hosting of successful quarterly Community of Arran Network meetings sharing experiences of successes and challenges, looking at better ways of working.
- CEO met with third sector Chief Officers Group on 3 occasions to discuss the Community Wealth Building agenda for third sector (These were led by the TACT CEO in their Economic Development lead capacity).
- Actively promoted Volunteers Week – this was led by TSI partners, supported by us. An online awards ceremony took place with pre-nominated North Ayrshire volunteers and staff in attendance. The event was well attended and each volunteer who was nominated was given a gift bag full of donations from local businesses.
- Supported Lamlash Improvements with White House Woods (land for development). Here we compiled survey, shared locally and received back over 200 responses. This information was collated and presented back to the organisation to use to support community developments.
- Facilitated bespoke Social Media & Social Media Strategy training, inviting over the Third Sector Lab to deliver to 7 organisations on Arran.

**ARRAN COMMUNITY AND VOLUNTARY SERVICE
REPORT OF THE TRUSTEES - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023**

FINANCIAL REVIEW

Reserves policy

The policy of the Board of Directors was to aim to have reserves of at least three months operating expenditure. This is because the Service is dependent in the main on Core Grant Funding received from the Scottish Government.

Three months' operating costs are set as the target minimum balance, to allow for delays in receiving the quarterly grant from the Scottish Government, the amount of which is agreed annually in advance.

In the financial period ending 31 March 2023 the charity held unrestricted reserves of £31,599.

Principal funding sources

Our core funding for the financial year 2022/23 was £69,118. Our budget is carefully planned according to previous year's income and anticipated costs, allowing for a contingency element to be carried forward.

FUTURE DEVELOPMENTS

In this financial year, in addition to the core work, Arran CVS were recipients of £136,531.59 of funding via the North Ayrshire Health and Social Care Partnership (NAHSCP), for work in the third sector pertaining to adult and older people's health and social care integration. Arran CVS acted as custodians for residual monies from the NAHSCP Integrated Care Fund including and additionally an underspend in partnership enabler funding, the total carry forward of this restricted fund was £5,354.51 on 31 March 2023. The partnership intends to continue to provide funds for one Development Officer post, TSI Capacity funding and two Community Link Workers, now mainstreamed.

The Community Transport pilot was successful in its early stages of delivery and are to receive an award from Mobility Scotland of £173,935 to support the ongoing development of the project over a 3-year period. This will include the purchase of two community vehicles and the appointment of a part-time co-ordinator until March 2026. The first year's allocation of this fund is due to arrive in April 2023.

The Scottish Government intend for the TSI to continue to disperse the Communities Mental Health & Wellbeing Fund Year 3, there is no indication the administration will not be funded on a similar allocation basis.

The Scottish Government have indicated an uplift of 4% in core funding, the first in 12 years, which will be implemented in April 2023.

**ARRAN COMMUNITY AND VOLUNTARY SERVICE
REPORT OF THE TRUSTEES - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023**

FUNDS HELD AS AGENT

Arran CVS, as part of the 'Third Sector Interface', were custodians of restricted Integrated Care Funding distributed by NHS Ayrshire and Arran these funds were for innovative ideas that will enable the Health & Social Care Partnership to meet the needs and priorities outlined in the Strategic Plan. The focus was on prevention, early intervention and care and support for adults with complex and multiple conditions. The funds were administered by Arran CVS and passed on to external agencies and organisations in the third and independent sector. ICF funding source is now depleted however the partnership continue to fund on activities detailed on via the residual balance detailed below.

The residual balance of £5,354.51 from 2022/23 Integration Care Fund was carried forward and continued through for 2023/24 awaiting instruction from the partnership as to allocation of this funding.

Communities Mental Health & Wellbeing Fund

Arran CVS, as partners in the 'Third Sector Interface', were tasked by the Scottish Government to facilitate and distribute £407,213.24 of Communities Mental Health & Wellbeing (CMH&WB) funding to Third Sector organisations across North Ayrshire within this financial year, by way of a light touch application process.

The fund was oversubscribed and received applications to the value of £954,226

Due to high demand and quality of applications North Ayrshire Council agreed to fund some of the shortfall for projects focussed on financial insecurities, with an addition £42,924.

The Green Health Partnership were keen to support the work and contributed £46,125 to the fund for projects who demonstrated a green focus to their activities.

The Children, Young People and Families CMH&WB Fund had also identified an underspend and contributed and a further £33,376 for seven projects which met their approval and created an overall budget of £516,107 for distribution.

- 100 applications were processed
- 56 projects funded

The above work required significant administrative input to set up, promote, disburse, and monitor the funds. An administration fee of £30,358.65 was received by Arran CVS of which £15,179 was passed to The Ayrshire Community Trust for their contribution to the work. All funds associated with the CMH&WB Fund – Year 2 were disbursed by 31st March 2023.

Arran CVS hold the Dr Robert Jameson Bequest Fund for people facing financial hardship. The original concept of the fund was to pay out the interest in benefits to individuals in the community facing financial hardship. However, as the interest has dwindled over the years the fund became stagnant at a value of £1,283.74.

The organisation was asked to hold an additional hardship fund for families and young people called the Nan McMurdo memorial fund totalling £1,000. It was to be disbursed in the same manner as the Dr Jameson fund. The total amount paid out up to 31st March 2023 was £310. There is a remaining balance of £690 to be distributed.

Arran CVS also distributes money to groups for older people on the island for North Ayrshire Council and acts as the annual receiver of monitoring information on behalf of NAC, £2,841 was distributed to 6 groups on Arran in this financial year.

Arran CVS hold funds on behalf of the Umbrella project amounting to £1,153.07

During the period, the following amounts were received as agent for others:

Core Funding - The charity received four quarterly amounts of £62,000 totalling £248,000 from the Scottish Government of which £178,882.40 were passed on to TACT (The Ayrshire Community Trust) during the period.

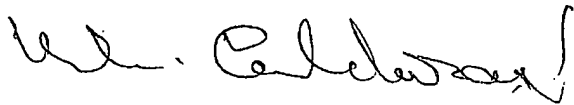
The management of the Interface is through a Joint Board comprising 2 Directors from each of Arran CVS and TACT, and 2 respective CEOs from each organisation.

**ARRAN COMMUNITY AND VOLUNTARY SERVICE
REPORT OF THE TRUSTEES - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023**

FUNDS HELD AS AGENT - CONTINUED

The respective Boards had undertaken a review of the local distribution of funds amongst the 2 Interface partners. This was embodied in a formal Partnership Agreement between TACT and Arran CVS and has been used for the reporting period.

Approved by order of the board of trustees 14 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'W. Calderwood', written in a cursive style.

William Calderwood – Chairperson and Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
ARRAN COMMUNITY AND VOLUNTARY SERVICE**

I report on the financial statements of the charity for the year ended 31 March 2023 which are set out on pages ten to twenty-three.

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 financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 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 the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 seeking 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:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare financial statements which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Stephen McKelvie
FCCA
Cornerstone Accountants
90 Mitchell Street
Glasgow
Lanarkshire
G1 3NQ

20 December 2023

ARRAN COMMUNITY AND VOLUNTARY SERVICE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds	Restricted funds	Endowment fund	2023 Total funds	2022 Total funds
	Note	£	£	£	£	£
INCOME AND ENDOWMENTS						
FROM:						
Donations and legacies	2	69,163	-	-	69,163	69,118
Investments	3	1	-	-	1	-
Charitable activities	4	<u>22,104</u>	<u>149,117</u>	<u>-</u>	<u>171,221</u>	<u>203,567</u>
TOTAL INCOME		91,268	149,117	-	240,385	272,685
EXPENDITURE ON:						
Charitable activities	5	197,399	104,135	-	301,534	255,837
Funds disbursed		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURE		197,399	104,135	-	301,534	255,837
NET INCOME/(EXPENDITURE)		(106,131)	44,982	-	(61,149)	16,848
Reconciliation of funds:						
TOTAL FUNDS BROUGHT FORWARD		<u>137,730</u>	<u>6,464</u>	<u>1,000</u>	<u>145,194</u>	<u>115,125</u>
TOTAL FUNDS CARRIED FORWARD		<u>31,599</u>	<u>51,446</u>	<u>1,000</u>	<u>84,045</u>	<u>131,973</u>

All the activities of the charity relate to continuing activities.

ARRAN COMMUNITY AND VOLUNTARY SERVICE

**BALANCE SHEET
AT 31 MARCH 2023**

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	10	27,194	29,005
CURRENT ASSETS			
Stocks		35	78
Debtors	11	37,792	3,011
Cash at bank and in hand		<u>54,860</u>	<u>167,511</u>
		92,687	170,600
CREDITORS			
Amounts falling due within one year	12	(35,836)	(54,411)
		<u>84,045</u>	<u>116,189</u>
NET CURRENT ASSETS			
		<u>84,045</u>	<u>116,189</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		84,045	145,194
NET ASSETS		<u>84,045</u>	<u>145,194</u>
FUNDS	14		
Unrestricted funds		31,599	137,730
Restricted funds		51,446	6,464
Endowment funds		<u>1,000</u>	<u>1,000</u>
TOTAL FUNDS		<u>84,045</u>	<u>145,194</u>

ARRAN COMMUNITY AND VOLUNTARY SERVICE

**BALANCE SHEET - CONTINUED
AT 31 MARCH 2023**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies for the year ended 31 March 2023.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 14 December 2023 and were signed on its behalf by:



William Calderwood -Trustee

Company number – SC396186

ARRAN COMMUNITY AND VOLUNTARY SERVICE

**STATEMENT OF CASH FLOWS
AT 31 MARCH 2023**

	2023	2023	2022	2022
	£	£	£	£
Cash flows from operating activities				
Net income/(expenditure) for the period	(61,149)		16,848	
Loss on sale of fixed assets	-		-	
Depreciation charges	1,811		1,985	
Income from investments	-		-	
Decrease in stock	43		153	
(Increase)/Decrease in debtors	(34,781)		(85)	
Increase/(Decrease) in creditors	(18,575)		60,316	
	<hr/>		<hr/>	
Cash provided by/(used in) operating activities		(112,651)		79,217
Cash flows from investing activities				
Investment income	-		-	
Purchase of fixed assets	-		-	
	<hr/>		<hr/>	
Cash provided by investing activities		-		-
		<hr/>		<hr/>
Increase/(decrease) in cash and cash equivalents in the year		(112,650)		79,217
Cash and cash equivalents at the beginning of the year		167,511		80,294
		<hr/>		<hr/>
Total cash and cash equivalents at the end of the year		54,860		167,511
		<hr/>		<hr/>
Cash and cash equivalents comprise:				
Cash at bank and in hand		54,860		167,511
		<hr/>		<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention. The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities", and in accordance with Financial Reporting Standard 102 (FRS 102).

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Grant income

Grant income is credited in the year to which it relates.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Expenditure on charitable purposes comprises those costs incurred by the charity in the fulfilment of its charitable objectives, activities and services for its beneficiaries. Governance costs are those associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner's fees and costs linked to the strategic management of the charity. As required by Charities SORP (FRS 102) governance costs are included within expenditure on charitable activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on a straight line basis
Improvements to property	- 4% on a straight line basis
Furniture and equipment	- 15% on a reducing balance basis

Stocks

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

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

ARRAN COMMUNITY AND VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - Continued

Cash

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Funds received as agent

Monies received in acting as agents where the charity has no responsibility for the ultimate application of the funds, are not recognised in the statement of financial activities.

VAT

The charity is not registered for VAT: therefore costs are stated inclusive of irrecoverable VAT.

2. DONATIONS AND LEGACIES (UNRESTRICTED)

	2023	2022
	£	£
Donations	45	-
Grants	<u>69,118</u>	<u>69,118</u>
	<u>69,163</u>	<u>69,118</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Core funding from the Scottish Executive	<u>69,118</u>	<u>69,118</u>

ARRAN COMMUNITY AND VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2023

3. INCOME FROM INVESTMENTS

	2023	2022
	£	£
Deposit account interest (unrestricted)	<u>1</u>	<u>-</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2023	2022
	Activity	£	£
Fees for office services	Income received from office services (unrestricted)	2,048	671
Reimbursement of costs from The Ayrshire Community Trust	Funds received from The Ayrshire Community Trust towards cost of toolkit (unrestricted)	431	2,115
Funds from Umbrella Group	Funds received from Umbrella Group (restricted)	-	2,338
Funds received from Scottish Government	Funds received for AADS Project (restricted)	2,833	34,000
North Ayrshire Council, Trust Housing Association	Lunch club income (restricted)	615	-
Corra Foundation, Nan McMurdo Memorial Fund	Hardship fund (restricted)	440	-
Funds from Life Changes Trust	Funds received for Dementia Friendly Arran Project (restricted)	-	6,969
Alasdair Miller	Equipment hire income (unrestricted)	125	-
North Ayrshire Council	Community transport fund (restricted)	4,120	-
North Ayrshire Council	Island skills initiative (restricted)	4,449	-
Funds from Elderly Project	Funds received for Elderly Project (restricted)	-	4
Funds from Nan McMurdo Memorial Fund	Funds received from Nan McMurdo Memorial Fund (restricted)	690	8,640
Funds from Community Mental Health Fund	Funds received for Community Mental Health & Wellbeing fund (restricted)	16,129	15,184
Funds from HSC Wellbeing Fund	Funds received for HSC Wellbeing Fund (restricted)	-	805
Funds from CBAL	Funds received for CBAL (restricted)	-	1,500
Funds from NHS Ayrshire and Arran	Contribution towards salaries and expenses (unrestricted)	19,500	26,000
Funds from NHS Ayrshire and Arran	Contribution towards project salaries and expenses (restricted)	<u>119,841</u>	<u>105,341</u>
		<u>171,221</u>	<u>203,567</u>

ARRAN COMMUNITY AND VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	2023	2022
	£	£
Direct costs of charitable activities	292,928	247,702
Governance costs (note 6)	<u>8,346</u>	<u>8,135</u>
	<u>301,534</u>	<u>255,837</u>
	£	£
Unrestricted	197,399	94,942
Restricted	<u>104,135</u>	<u>160,895</u>
	<u>301,534</u>	<u>255,837</u>

ARRAN COMMUNITY AND VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2023

6. GOVERNANCE COSTS

	2023	2022
	£	£
Staff costs	4,821	4,793
Independent examiner's fees	<u>3,785</u>	<u>3,342</u>
	<u>8,606</u>	<u>8,135</u>

7. NET INCOME/(EXPENDITURE)

Net income is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	1,811	1,985
Independent examiner's fees	<u>3,785</u>	<u>3,342</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

The trustees received no travel expenses during the period (2022: none).

9. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	147,257	123,156
Social security costs	<u>8,019</u>	<u>6,978</u>
	<u>155,276</u>	<u>130,134</u>

The average monthly number of employees during the year was as follows:

2023	2022
<u>7</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

The key management personnel benefits totalled £43,266 (2022: £43,190).

ARRAN COMMUNITY AND VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Furniture and equipment £	Totals £
COST				
At 1 April 2022	22,000	9,239	22,353	53,592
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2023	<u>22,000</u>	<u>9,239</u>	<u>22,353</u>	<u>53,592</u>
DEPRECIATION				
At 1 April 2022	4,840	4,068	15,679	24,587
Charge for year	440	370	1,001	1,811
Eliminated on disposal	-	-	-	-
At 31 March 2023	<u>5,280</u>	<u>4,438</u>	<u>16,680</u>	<u>26,398</u>
NET BOOK VALUE				
At 31 March 2023	<u>16,720</u>	<u>4,801</u>	<u>5,672</u>	<u>27,194</u>
At 31 March 2022	<u>17,160</u>	<u>5,171</u>	<u>6,674</u>	<u>29,005</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	34,186	87
Prepayments and accrued income	2,623	2,356
Pension	983	568
	<u>37,792</u>	<u>3,011</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
PAYE	1,209	1,216
Accruals and deferred income	3,460	3,200
Other Creditors	<u>31,167</u>	<u>63,216</u>
	<u>35,836</u>	<u>67,632</u>

ARRAN COMMUNITY AND VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2023

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Endowment fund	2023 Total funds	2022 Total funds
	£	£	£	£	£
Fixed assets	27,194	-	-	27,194	29,005
Current assets	86,332	5,355	1,000	92,687	170,600
Current liabilities	<u>(35,836)</u>	<u>-</u>	<u>-</u>	<u>(35,836)</u>	<u>(67,632)</u>
	<u>77,690</u>	<u>5,355</u>	<u>1,000</u>	<u>84,045</u>	<u>131,973</u>

14. MOVEMENT IN FUNDS

	At 01/04/22 £	Net movement in funds £	At 31/03/2023 £
Unrestricted funds			
General fund	137,730	(106,131)	31,599
Restricted funds			
Funds received from NHS Ayrshire and Arran	6,464	44,982	51,446
Endowment funds			
Dr Robert Jamieson Bequest Fund	1,000	-	1,000
TOTAL FUNDS	<u>145,194</u>	<u>(61,149)</u>	<u>84,045</u>

15. ULTIMATE CONTROLLING PARTY

The charity is constituted by its Memorandum and Articles of Association and is controlled by its appointed trustees.

ARRAN COMMUNITY AND VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2023

16. FUNDS RECEIVED AS AGENT

ACVS, as part of the '3rd Sector Interface', is the custodian of restricted Integrated Care funding distributed by NHS Ayrshire and Arran to administer and pass on to external community and voluntary organisations who deliver services to older people, including Lunch Clubs.

The management of the Interface is through a Joint Board comprising 2 Directors from each of ACVS and TACT, and 2 respective CEO's from each organisation.

The respective Boards had undertaken a review of the local distribution of funds amongst the 2 Interface partners. This was embodied in a formal Partnership Agreement between TACT and ACVS and has been used for the reporting period.

ACVS also distributes money to groups for older people on the island on behalf of North Ayrshire Council, and acts as the annual receiver of monitoring information on behalf of NAC. Due to Covid this activity was postponed.

During the period the following amounts were received as agent for others:

- the charity received four quarterly amounts of £62,000 totalling £248,000 from the Scottish Government of which £178,882 were passed on to TACT (The Ayrshire Community Trust) during the period.

- funds for Communities Metal Health & Wellbeing Fund activities administration was received from the Scottish Government to the partnership for a total of £34,324 of which The Ayrshire Community Trust received £15,179.

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2023 the charity had total commitments under non-cancellable operating leases as set out below:

	2023 Other £	2022 Other £
Total operating leases payments due:		
Within 1 year	3,528	-
Within 2 to 5 years	14,112	-
After more than 5 years	16,758	-
	<hr/>	<hr/>
Total	<u>34,398</u>	<u>-</u>
 Lease payments recognised as an expense	 <u>5,265</u>	 <u>4,359</u>

ARRAN COMMUNITY AND VOLUNTARY SERVICE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
INCOME		
Donations and Legacies		
Donations	45	-
Grants	<u>69,118</u>	<u>69,118</u>
	69,163	69,118
Investments		
Deposit account interest	1	-
Charitable activities		
Fees for office services	2,048	671
Reimbursement of costs from the Ayrshire Community Trust	431	2,115
Funds received towards wage costs	19,500	26,000
Funds received towards project wages costs	119,841	105,341
Funds received towards Umbrella Group costs	-	2,338
Funds received towards AADS project	2,833	34,000
Lunch club income	615	-
Funds received towards Dementia Friendly Arran	-	6,969
Hardship fund	440	-
NAC community transport fund	4,120	-
NAC island skills initiative	4,449	-
Funds received towards Elderly Project	-	4
Funds received from Nan McMurdo Memorial Fund	690	8,640
Funds received towards Community Mental Health & Wellbeing fund	16,129	15,184
Funds received towards HSC Wellbeing Fund	-	805
Funds received towards CBAL	-	1,500
Equipment hire income	<u>125</u>	<u>-</u>
	<u>171,221</u>	<u>203,567</u>
Total income	240,385	272,685
EXPENDITURE		
Charitable activities		
Wages	142,931	118,837
Social security	7,525	6,504
Pension	4,115	3,905
Rates and water	690	530
Insurance	2,635	2,522
Light and heat	1,086	1,256
Telephone	5,887	6,610
Printing, postage and stationery	4,725	1,641
Sundries	1,127	281
Bank charges	256	206
Project wage costs (restricted)	74,039	74,717
Travel expenses	1,691	729
Cleaning costs	1,043	810
Repairs and renewals	1,315	399
Computer costs	1,352	1,023
Photocopier lease	5,265	4,359
Subscriptions and memberships	2,243	1,985
Training	722	345
Depreciation of freehold property	440	440
Depreciation of improvements to property	370	370
Depreciation of furniture and equipment	1,001	1,178

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ARRAN COMMUNITY AND VOLUNTARY SERVICE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	£	£
Umbrella Group Costs (restricted)	1,185	719
Direct Costs	1,088	4,037
Advertising & Marketing	1,286	2,059
AADS Project costs (restricted)	25,514	220
Communities Recovery Fund costs (restricted)	3,397	-
NAC Youth Participatory Budgeting Project costs	-	10,000
Befriending Project costs	-	1,240
Digital Support Project costs	-	780
Governance costs (see below)	8,606	8,135
	301,534	255,837
	2023	2022
	£	£
Governance costs		
Wages	4,327	4,319
Social security	494	474
Accountancy	<u>3,785</u>	<u>3,342</u>
	8,606	8,135
Total expenditure	<u>301,534</u>	<u>255,837</u>
Net income/(expenditure)	<u>(61,149)</u>	<u>16,848</u>

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