

**CIRCULAR COMMUNITIES SCOTLAND**  
**(Formally Community Resources Network Scotland)**  
**(a company limited by guarantee)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

**COMPANY REGISTRATION NO: SC266160**

**CHARITY NO: SC036006**

**WHITELAW WELLS**  
**Chartered Accountants**  
**9 Ainslie Place**  
**Edinburgh EH3 6AT**

**CIRCULAR COMMUNITIES SCOTLAND**  
**(a company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

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**CIRCULAR COMMUNITIES SCOTLAND**  
**(a company limited by guarantee)**

**REPORT OF THE TRUSTEES**

**For the year ended 31 March 2022**

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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).

Circular Communities Scotland was formally known as Community Resources Network Scotland (CRNS) but changed its name on 22 September 2021.

**OBJECTIVES AND ACTIVITIES**

**Purposes and main activity**

Circular Communities Scotland is a membership body for community organisations working towards a circular economy by managing waste resources at a local level through recycling, reuse, composting, waste reduction and waste education activities. In addition to providing information and advice to both existing and emerging community organisations, Circular Communities Scotland works to raise the profile of the sector through promotional activity and advocacy. Circular Communities Scotland also strategically supports the sector and its members by working closely with Zero Waste Scotland, the Scottish Government, and local authorities.

In addition to its membership, Circular Communities Scotland also holds equity in the knowledge and experience of its Board of Management and staff, the Circular Communities Scotland brand, and intellectual property in the form of research we have conducted.

**Circular Communities Scotland Mission Statement**

Our vision is for a thriving circular economy in Scotland, with local communities benefiting from the social, environmental and economic outcomes.

Our mission, as a national network, is to support and represent organisations who are delivering greater levels of reuse, repair and recycling.

**Circular Communities Scotland Objectives**

Circular Communities Scotland objectives are as follows:

1. To conserve and protect the physical and natural environment by reducing the proliferation of landfill sites, and in particular through the promotion of sustainable waste management practices.
2. To advance the education of the public in Scotland concerning recycling, waste minimisation and waste management through a programme of teaching, training, publishing, exhibitions, seminars and any other means for providing public knowledge and information.
3. To promote and fund scientific research for the public benefit in the fields referred to above, and to disseminate the results of such research.
4. To alleviate poverty by working to provide social benefits and economic opportunities to people who are most excluded from society.

**Circular Communities Scotland Values (the underlying principles that guide the work of the Circular Communities Scotland)**

1. Trust and Integrity
2. Openness and Community
3. Environmental and Social Justice

**CIRCULAR COMMUNITIES SCOTLAND**  
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**REPORT OF THE TRUSTEES (cont)**

**For the year ended 31 March 2022**

**Grant Making policy**

The charity supports member organisations in their work by acting as the lead partner in consortium bids for national frameworks. Circular Communities Scotland also distributes grant funding to circular economy-based organisations when they become available. This included the pockets and prospects fund this year. Circular Communities Scotland monitors and manages the fund and delivery outcomes, providing reporting to the funder.

**ACHIEVEMENTS AND PERFORMANCE**

**Membership**

Circular Communities Scotland is a membership organisation and as such we exist to support and represent our members. During 2021/2022 Circular Communities Scotland engaged with its membership through events which were mostly online (due to Covid-19 restrictions) and our range of communication channels (website, social media, newsletters, and impact report).

In our impact report (Embracing a Circular Future, November 2021) we reported that the combined membership of Circular Communities Scotland employed 1,368 staff and 4,320 volunteers, turned over £104 million and diverted 20,800 tonnes from landfill saving the equivalent of 70,000 tonnes of CO<sub>2</sub>e.

As at end of March 2022 Circular Communities Scotland had 207 full members which represented a significant increase from 154 from the end of March 2021. Circular Communities Scotland members were active in all local authorities in all areas of Scotland.

**Activity during 2021/2022**

In fulfilling its role during the year Circular Communities Scotland has:

- Continued to advocate on issues which impacted on its membership such as Covid-19 funding support, circular economy, deposit return and extended producer responsibility
- Maintained Circular Communities Scotland's position as the key representation body for community based circular economy organisations with the Scottish Government, MSPs and local authorities. Circular Communities Scotland responded to several consultations during the year and took part in the Zero Waste Scotland's Route Map review and represented Scotland at various COP26 related events
- Engaged with its membership through a programme of online forums, seminars and held our annual conference online with the theme of "Embracing a Circular Future"
- Renamed and rebranded the organisation (to Circular Communities Scotland from Community Resources Network Scotland) and engaged with its growing membership and the wider constituency through newsletters and social media programme of communication.
- Operated the Reuse Consortium in conjunction with nine of our members who traded with six Local Authorities and two Housing Associations. In total the Consortium diverted over 240,000 kg of waste from landfill equivalent to over 640 tonnes of CO<sub>2</sub>e and Financial trading grew by 77% over the prior year.
- We also secured funding for our Share and Repair Network from Scottish Government and Zero Waste Scotland which was announced at COP26. We also launched the project and recruited a new fulltime member of staff.

**Strategic Plan**

This represented the last full year of Circular Communities Scotland's 3-year strategic plan which was published in February 2019 and is available on the Circular Communities Scotland website.

Excellent progress was made on each of the four key priorities as follows:

**CIRCULAR COMMUNITIES SCOTLAND**  
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**REPORT OF THE TRUSTEES (cont)**

**For the year ended 31 March 2022**

**Strategic Plan (continued)**

- Support and grow our membership – we have continued to add strong value to our members through this year in particularly challenging times associated with the pandemic. Our events have been well attended despite the shift to online and our communication grew significantly stronger following our rebrand. And we have seen our full membership grow from 154 to 207 during the year (an increase of over 34%).
- Measure and demonstrate our impact – we have continued to focus on our impact publishing our impact report in November 2021 “Embracing a Circular Future”. This set out the impact of our work along with the wider impact of the sector in delivering a more circular economy in Scotland.
- Communicate our vision – we rebranded as an organisation on 1 November 2021. Our new name clearly links our identity to the Circular Economy and the Community Sector in Scotland. Our new brand has been well received by a wide range of stakeholders and increased our profile.
- Strong and sustainable finances – Following a strong year financially last year the Board took the decision to invest in a new Communications staff member to support the rebrand and the organisations communications going forward. Because of this investment we made a small deficit during the year. However, we have secured our core funding for another three years along with additional funding for the Share and Repair Network, so our medium-term finances remain strong.

**Partnerships and participation**

In addition to these activities and to participate in local and national dialogues and decision-making relevant to its members, Circular Communities Scotland is engaged in the following partnerships:

- Circular Communities Scotland is a member of RReuse, The European network of community re-use and recycling organisations.
- Circular Communities Scotland continues to be active members of the Scottish Community Alliance; Social Enterprise Scotland; SCVO and SENScot. We also joined the Wellbeing Economic Alliance and Stop Climate Chaos Scotland this year.

**FINANCIAL REVIEW**

The charity generated a deficit for the year of £9,023 (2021: £35,085 surplus). The total income amounted to £237,973 (2021: £231,936), of which £48,533 (2021: £56,547) was related to restricted projects and £189,440 (2021: £175,389) to unrestricted funds. At the balance sheet date the unrestricted reserves were £185,691 (2021: £196,959), with £14,395 (2021: £12,150) in restricted funds.

Membership subscriptions aside, there were three principal sources of funding for the period 2021/2022:

- Zero Waste Scotland Network Support for Third Sector Resource Management Organisations in Scotland
- Reuse Consortium funding from the Circular Economy Investment Fund managed by Zero Waste Scotland (ended December 2021)
- Scottish Government and Zero Waste Scotland funding for the Share and Repair Network which started in January 2022
- Cycling Scotland

**Investment Policy**

Circular Communities Scotland banks with the Triodos Bank, which is one of Europe’s leading ethical banks. Circular Communities Scotland’s reserves are deposited with the Nationwide Building Society.

**CIRCULAR COMMUNITIES SCOTLAND**  
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**REPORT OF THE TRUSTEES (cont)**

**For the year ended 31 March 2022**

**Reserves Policy**

The Board of Directors has examined the charity's requirements for reserves considering the main risks to the organisation. It has established a policy whereby the unrestricted funds, not committed or invested in tangible fixed assets held by the charity should cover at least three months of the critical expenditure which is designated as salaries, rent, communication contracts and utility bills, a figure of around £42000. The reserves at the year-end were £185,691 and the reserves policy was maintained throughout the financial year.

Circular Communities Scotland, in line with OSCR and Scottish Government recommendations, has ensured it has sufficient reserves which are deposited into a Reserve Bank Account.

**Risk Management**

Circular Communities Scotland maintains a risk register whereby all identifiable risks to the charity are considered and mitigating actions put in place to minimise the impact to the charity. This is reviewed regularly by the Board.

Historically a key risk for the organisation has been our dependence on one funding source, a core network services contract with Zero Waste Scotland. We have made significant progress on reducing this risk this year since we have continued to grow other sources of income (consortium trading and Share and Repair Network) as well as extending our core contract for a further three years.

**PLANS FOR FUTURE PERIODS**

Looking ahead the board and staff held a series of strategy workshops during the year culminating in a new strategic plan covering the period 1 April 2022 – 31 March 2025. This plan has four key pillars to our work:

- Member Services – Our member services will grow stronger which will help our members recover from the pandemic and resume sector growth thereby delivering greater environmental and social impact going forward.
- Sector Representation - We want to see a strong and ambitious Circular Economy Bill and wider policy framework in Scotland which supports greater levels of reuse, repair and sharing behaviours.
- Carbon Benefits - The circular community sector will become more carbon literate which will help individual members, the wider sector, and Circular Communities Scotland to demonstrate environmental benefits more clearly.
- Storytelling - A strong and clear articulation of the benefits of a circular economy shared with, by and through our membership leading to consumption reduction and more circular behaviours in Scotland.

We also agreed four key principles which will support our work over the next three years – Team Wellbeing, Partnerships, Quality Delivery and Sustainable Finances.

**CIRCULAR COMMUNITIES SCOTLAND  
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**REPORT OF THE TRUSTEES**

**For the year ended 31 March 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on 7 April 2004 and is registered as a charity registered with the Office of the Scottish Charity Regulator (OSCR). The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. Circular Communities Scotland was formally known as Circular Communities Scotland but changed its name on 22 September 2021.

**Recruitment and Appointment of Trustees**

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as Members of the Board of Directors. Under the requirements of the Memorandum and Articles of Association the Members of the Board of Directors are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

Due to the national remit of Circular Communities Scotland the Board of Directors seeks to ensure that the differing geographical needs of the community resource sector are reflected in the diversity of the trustee body. Proactive recruitment of potential Board of Directors members can take place in the run up to an Annual General Meeting to ensure that all parts of the sector are represented.

**Trustee Induction and Training**

An overview of the practical work of Circular Communities Scotland is provided to all Trustees, including co-optees, as part of their induction. Many Trustees are already familiar with the practical work of Circular Communities Scotland being elected from the Full Membership.

An induction pack is prepared and distributed to all members of the Board of Directors. The induction pack also includes any relevant publications on being a Trustee or Company Director such as provided by OSCR, SCVO and Companies House.

**Organisational Structure**

The Circular Communities Scotland Board of Directors meets approximately every two months and is responsible for the strategic direction and policy of the organisation. At March 2022 the Circular Communities Scotland Board had ten members, seven of whom worked for membership organisations and three of whom worked in wider industry.

Due to the continued growth of the Reuse Consortium the board have decided to create a new trading subsidiary in the next financial year. This will be wholly owned by Circular Communities Scotland.

Day-to-day responsibility for the running of Circular Communities Scotland is delegated to the Chief Executive Officer.

**Staffing**

Michael Cook continues in the role of Chief Executive Officer since he joined Circular Communities Scotland in September 2018. In addition to a part-time (4 day week) CEO, the current staffing at the year-end consists of three full-time staff and three part-time staff.

**CIRCULAR COMMUNITIES SCOTLAND**  
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**REPORT OF THE TRUSTEES (cont)**

**For the year ended 31 March 2022**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

<b>Charity Name:</b>	Circular Communities Scotland (Formally Community Resources Network Scotland)	
<b>Charity Number:</b>	SC036006	
<b>Company Number:</b>	SC266160	
<b>Trustees</b>	Naomi Johnson	Chair
	Sophy Green	Vice Chair (Resigned 23 September 2021)
	Simon Laidlaw	Treasurer (Resigned 25 May 2021)
	Ian Harley	Treasurer (appointed 17 November 2021)
	Paul Johnston	Resigned 4 March 2022
	Ray Georgeson	Resigned 20 July 2021
	Laura Tainsh	
	Ian Matheson	
	Colin Freeman	Resigned 20 July 2021
	Elaine Brown	
	David Bryan	
	Mark Morgan	
	Beverley Knight	Appointed 4 October 2021
	Rashid Khaliq	Appointed 17 November 2021
	Sasha Taylor	Appointed 17 November 2021
	Jon Molyneux	Appointed Nov 2021
	Michael Cook	
<b>Secretary</b>		
<b>Key Management Personnel</b>	Michael Cook	Chief Executive Officer
	Michele Donegan	Finance & Office Coordinator
<b>Registered Office and Operational Address</b>	Suite 33 Stirling Business Centre Wellgreen Place Stirling FK8 2DZ	
<b>Independent Examiner</b>	Kevin Cattnach C.A. Whitelaw Wells Chartered Accountants 9 Ainslie Place Edinburgh EH3 6AT	
<b>Bankers</b>	Triodos Bank Deanery Road Bristol BS1 5AS	
<b>Solicitors</b>	Burness Paull LLP 242 West George Street Glasgow, G2 4QY	

**CIRCULAR COMMUNITIES SCOTLAND  
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**REPORT OF THE TRUSTEES (cont)**

**For the year ended 31 March 2022**

**Trustees' responsibilities in relation to the financial statements**

The charity Trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the financial statements, the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Approved by the Trustees on 7 September 2022 and signed on their behalf by:-



.....  
Naomi Johnson  
Director, Chair

## INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF

### CIRCULAR COMMUNITIES SCOTLAND (a company limited by guarantee)

For the year ended 31 March 2022

I report on the accounts of the charity for the year ended 31 March 2022, which are set out on pages 10 to 21.

#### **Respective responsibilities of the Trustees and the Independent Examiner**

The charity's Trustees 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 (as amended). 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 independent examiner's report**

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

- 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 (as amended); and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Kevin Cattanach C.A.  
Whitelaw Wells  
9 Ainslie Place  
Edinburgh  
EH3 6AT

7 September 2022

**CIRCULAR COMMUNITIES SCOTLAND**  
(a company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**

**(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

For the year ended 31 March 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>Income and endowments from:</b>					
Charitable activities	4	136,731	48,533	185,264	193,970
Other trading activities	5	52,200	-	52,200	37,408
Investments - bank interest		509	-	509	558
		-----	-----	-----	-----
<b>Total Income</b>		189,440	48,533	237,973	231,936
		-----	-----	-----	-----
<b>Expenditure on:</b>					
Raising funds		15,623	-	15,623	15,992
Charitable activities		186,997	44,376	231,373	180,859
		-----	-----	-----	-----
<b>Total Expenditure</b>	6	202,620	44,376	246,996	196,851
		-----	-----	-----	-----
<b>Net (Expenditure)/Income</b>		(13,180)	4,157	(9,023)	35,085
<b>Transfer to/from funds</b>		1,912	(1,912)	-	-
		-----	-----	-----	-----
<b>Net Movement in Funds</b>		(11,268)	2,245	(9,023)	35,085
Funds reconciliation					
Total funds brought forward	12	196,959	12,150	209,109	174,024
		-----	-----	-----	-----
<b>Total funds carried forward</b>	12	185,691	14,395	200,086	209,109
		=====	=====	=====	=====

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**CIRCULAR COMMUNITIES SCOTLAND**  
**(a company limited by guarantee) SC266160**

**BALANCE SHEET**

**As at 31 March 2022**

	Note	£	2022 £	2021 £
<b>FIXED ASSETS</b>				
Tangible assets	9		6,324	5,043
<b>CURRENT ASSETS</b>				
Debtors	10	63,453		29,522
Cash at bank and in hand		149,541		191,323
		212,994		220,845
<b>CREDITORS:</b>				
Amounts falling due within one year	11	(19,232)		(16,779)
<b>NET CURRENT ASSETS</b>			193,762	204,066
<b>NET ASSETS</b>			200,086	209,109
<b>FUNDS</b>				
Restricted	12		14,395	12,150
Unrestricted			185,691	196,959
			200,086	209,109

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for year to 31 March 2022. The members have not required the company to obtain an audit of financial statements for the year to 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006.
- (b) 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 profit or loss for each financial year in accordance with the requirement 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.

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

These financial statements were approved by the Trustees on 7 September 2022 and are signed on their behalf by: -



Naomi Johnson  
Director

The notes on pages 12 – 21 form part of these financial statements

# CIRCULAR COMMUNITIES SCOTLAND

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2022

### 1. Accounting Policies

#### a. Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity has taken advantage of the exemption from the requirement to prepare a Statement of Cash Flows as permitted under FRS 102 and the Charities FRS 102 SORP.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements.

#### b. Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor of trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in Note 12.

#### c. Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

## CIRCULAR COMMUNITIES SCOTLAND

### NOTES TO THE ACCOUNTS (cont)

For the year ended 31 March 2022

#### 1. Accounting Policies (cont)

##### c. Income recognition (cont)

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

Income from government and other grants, whether 'capital' or 'revenue' grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service deferred until the criteria for income recognition are met.

##### d. Expenditure recognition

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 reliably.

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. For more information on this attribution refer to Note (g) below.

1. Costs of raising funds comprise the costs, based on staff time, incurred in raising voluntary income, including staff costs and associated support costs.

2. Expenditure on charitable activities includes expenditure on activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

##### e. Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and valued at historical cost. Depreciation is charged as follows:-

	<b>Basis</b>
Short Leasehold improvements	10% straight line
Computer equipment	33% straight line
Fixtures and fittings	20% straight line

##### f. Taxation

The company is a charitable company with the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

## CIRCULAR COMMUNITIES SCOTLAND

### NOTES TO THE ACCOUNTS (cont)

For the year ended 31 March 2022

#### 1. Accounting Policies (cont)

##### g. 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 with the exception of the pension provision which is measured at net present value.

##### h. Pensions

The Charity operates a Defined Contributions Pension Scheme. Contributions are charged to the accounts as they become payable in accordance with the rules of the Scheme.

#### 2. Legal Status of the Charity

The charity is a registered Scottish charity.

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

#### 3. Related Party Transactions and Trustees' Expenses and Remuneration

There was no Trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

##### Trustees' expenses

No Trustee was reimbursed expenses in the year (2021: no Trustees).

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.

No one individual had control over the charity during either the current or previous year.

**CIRCULAR COMMUNITIES SCOTLAND**

**NOTES TO THE ACCOUNTS (cont)**

**For the year ended 31 March 2022**

**4. Income from Charitable Activities**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2022</b>	<b>Total 2021</b>
	£	£	£	£
Zero Waste Scotland	116,458	-	116,458	118,188
Zero Waste Scotland - Consortium	-	-	-	32,297
Zero Waste Scotland – Share and repair	-	20,883	20,883	-
Cycling Scotland – Affordable bike project	-	17,300	17,300	-
Scottish Community Alliance	-	6,300	6,300	7,500
Creative Scotland	-	4,050	4,050	12,150
Covid-19 Grant	-	-	-	10,000
Fee income	513	-	513	297
Membership subscriptions	19,760	-	19,760	13,538
	<hr/>	<hr/>	<hr/>	<hr/>
	136,731	48,533	185,264	193,970
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Income from charitable activities was £185,264 (2021: £193,970) of which £136,731 (2021: £142,023) was unrestricted and £48,533 (2021: £51,947) was restricted.

**5. Income from trading activities**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2022</b>	<b>Total 2021</b>
	£	£	£	£
Annual conference	10,575	-	10,575	10,820
Consortium trading	41,625	-	41,625	21,988
Other trading income	-	-	-	4,600
	<hr/>	<hr/>	<hr/>	<hr/>
	52,200	-	52,200	37,408
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Income from other trading activities was £52,200 (2021: £37,408) of which £52,200 (2021: £32,808) was unrestricted and £Nil (2021: £4,600) was restricted.

**CIRCULAR COMMUNITIES SCOTLAND**

**NOTES TO THE ACCOUNTS (cont)  
For the year ended 31 March 2022**

**6. Expenditure**

<b>Charitable Activities</b>	<b>Project Costs</b>	<b>Govern- ance</b>	<b>Raising Funds</b>	<b>2022</b>	<b>2021</b>
<b>Direct Costs</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs (note 7)	150,815	7,541	5,865	164,221	141,279
Other staff costs	4,080	204	159	4,443	2,774
Office supplies etc	3,662	-	-	3,662	3,876
Grants Payable	-	-	-	-	6,616
SCA (Pockets & Prospects)	5,701	-	-	5,701	1,000
Annual conference	-	-	8,505	8,505	9,903
Project reporting	21,490	-	-	21,490	1,201
Board expenses	-	121	-	121	186
Independent Examination	-	2,310	-	2,310	2,250
Consultancy and website	11,191	-	-	11,191	6,666
(Gain)/Loss on disposal	-	-	-	-	(720)
<b>Support Costs</b>					
Staff costs (note 7)	2,849	503	-	3,352	2,882
Other staff costs	77	14	-	91	56
Premises costs	10,483	582	582	11,647	9,977
Telephone	804	-	42	846	1,165
Repairs & renewals	1,377	-	73	1,450	318
Computer costs	3,676	-	193	3,869	3,938
Bank charges	102	-	5	107	155
Depreciation	3,791	-	199	3,990	3,329
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	220,098	11,275	15,623	246,996	196,851
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Further analysis of the charitable activities is not provided as the directors believe the charity only has one main activity.

**7. Staff Costs and Numbers**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries and wages	143,135	123,029
Social security costs	8,614	6,904
Other pension costs	15,823	14,228
	<hr/>	<hr/>
	167,572	144,161
	<hr/> <hr/>	<hr/> <hr/>

The charity considers its key management personnel comprise the Chief Executive and the Finance Officer. The total employment benefits including employer pension contributions of the key management personal was £63,384 (2021: £59,736). No employee had emoluments of more than £60,000 during either the current or previous year.

**CIRCULAR COMMUNITIES SCOTLAND**

**NOTES TO THE ACCOUNTS (cont)**

**For the year ended 31 March 2022**

**7. Staff Costs and Numbers (cont)**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Average number of persons, by headcount, employed by the charity during the year was:-	6	5
	<u>          </u>	<u>          </u>

**8. Net (Expenditure)/Income for the Year**

**This is stated after charging:**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation	3,990	3,329
Independent Examiners' fees	2,310	2,250
	<u>          </u>	<u>          </u>

**9. Tangible Fixed Assets**

	<b>Computer Equipment £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2021	9,988	2,932	12,920
Additions	5,271	-	5,271
Disposals	(899)	(2,311)	(3,210)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2022	14,360	621	14,981
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>			
At 1 April 2021	4,945	2,932	7,877
Charge for the year	3,990	-	3,990
Eliminated on disposal	(899)	(2,311)	(3,210)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2022	8,036	621	8,657
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>			
At 31 March 2022	6,324	-	6,324
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2021	5,043	-	5,043
	<u>          </u>	<u>          </u>	<u>          </u>

**CIRCULAR COMMUNITIES SCOTLAND**

**NOTES TO THE ACCOUNTS (cont)**

**For the year ended 31 March 2022**

**10. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	10,416	4,301
Other debtors	1,175	1,175
Prepayments	2,687	1,068
Grants receivable	49,175	22,978
	<hr/>	<hr/>
	63,453	29,522
	<hr/> <hr/>	<hr/> <hr/>

**11. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	202	-
Accruals	3,242	3,391
Deferred income	15,788	13,388
	<hr/>	<hr/>
	19,232	16,779
	<hr/> <hr/>	<hr/> <hr/>

Deferred income – Members Subscriptions

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Opening deferred income	13,388	-
Released to Statement of Financial Activities	(13,388)	-
Closing deferred income	15,788	13,388
	<hr/>	<hr/>
	15,788	13,388
	<hr/> <hr/>	<hr/> <hr/>

**CIRCULAR COMMUNITIES SCOTLAND**

**NOTES TO THE ACCOUNTS (cont)**

**For the year ended 31 March 2022**

**12. Reserves**

	<b>Balance 1</b>				<b>Balance 31</b>
	<b>April 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds</b>					
Cycling Scotland	-	17,300	(2,885)	(234)	14,181
Zero Waste Scotland – Share & repair	-	20,883	(18,991)	(1,678)	214
Pockets & Prospect	-	6,300	(6,300)	-	-
Creative Scotland	12,150	4,050	(16,200)	-	-
	-----	-----	-----	-----	-----
<b>Total restricted funds</b>	12,150	48,533	(44,376)	(1,912)	14,395
	-----	-----	-----	-----	-----
<b>Unrestricted funds</b>					
General funds	191,916	189,440	(198,630)	(3,359)	179,367
<u>Designated funds:</u>					
Tangible fixed assets	5,043	-	(3,990)	5,271	6,324
	-----	-----	-----	-----	-----
<b>Total unrestricted funds</b>	196,959	189,440	(202,620)	1,912	185,691
	-----	-----	-----	-----	-----
<b>TOTAL FUNDS</b>	209,109	237,973	(246,996)	-	200,086
	-----	-----	-----	-----	-----
	<b>Balance 1</b>				<b>Balance 31</b>
	<b>April 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds</b>					
Zero Waste Scotland - Consortium	-	32,297	(32,297)	-	-
Social Investment Scotland	-	4,600	(4,600)	-	-
Pockets & Prospect	-	7,500	(7,987)	487	-
Creative Scotland	-	12,150	-	-	12,150
	-----	-----	-----	-----	-----
<b>Total restricted funds</b>	-	56,547	(44,884)	487	12,150
	-----	-----	-----	-----	-----
<b>Unrestricted funds</b>					
General funds	171,642	175,389	(148,638)	(6,477)	191,916
<u>Designated funds:</u>					
Tangible fixed assets	2,383	-	(3,329)	5,990	5,043
	-----	-----	-----	-----	-----
<b>Total unrestricted funds</b>	174,024	175,389	(151,967)	(487)	196,959
	-----	-----	-----	-----	-----
<b>TOTAL FUNDS</b>	174,024	231,936	(196,851)	-	209,109
	-----	-----	-----	-----	-----

## CIRCULAR COMMUNITIES SCOTLAND

### NOTES TO THE ACCOUNTS (cont)

For the year ended 31 March 2022

#### 12. Reserves

##### Purpose of restricted funds

**Cycling Scotland** – Funding from Cycling Scotland to improve access to bikes by removing key barriers and obstacles to bike reuse in Scotland. The transfer from the fund represents the cost of assets purchased in the year.

**Zero Waste Scotland – Share & Repair** – Funding from Zero Waste Scotland to support the delivery of a network of sharing libraries and repair cafes in Scotland. The transfer from the fund represents the cost of assets purchased in the year.

**Pockets & Prospect** – Funding from the Scottish Community Alliance to support the payment of Pockets and Prospects grants to Circular Communities Scotland members engaged in supporting disadvantaged communities.

**Creative Scotland** – Funding from Creative Scotland to deliver research into the circular economy in creative industries. This work will be delivered in the coming year.

**Zero Waste Scotland Consortium** – The aim of this Project is to offer a collaborative approach to the supply of reuse furniture and furnishings in Scotland. Circular Communities Scotland bid for a national procurement framework with Scotland Excel on behalf of a consortium of our members. Funding received for this project is reserved for these purposes.

**Social Investment Scotland** – this relates to a consultancy piece of work during the year mapping circular economy social enterprises in Scotland.

##### Purpose of unrestricted funds

The general funds are available to be spent for any of the purposes of the charity.

**Tangible fixed assets** represent the net book value of the charity's tangible fixed assets.

#### 13. Pension Scheme

The company operates a money purchase (defined contribution) pension scheme. The assets of the Scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £15,823 (2021: £14,228). The balance outstanding at the year end is £Nil (2021: £Nil).

#### 14. Operating lease commitment

The following operating lease payments were committed to be paid as at the year-end:

	2022	2021
	Land & Buildings	Land & buildings
	£	£
Within one year	940	940
	<hr/>	<hr/>

**CIRCULAR COMMUNITIES SCOTLAND**

**NOTES TO THE ACCOUNTS (cont)**

**For the year ended 31 March 2022**

**15. Analysis of net assets between funds**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	6,324	-	6,324
Current assets	198,599	14,395	212,994
Current liabilities	(19,232)	-	(19,232)
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2022	185,691	14,395	200,086
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
 <b>Comparative- 2021</b>			
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	5,043	-	5,043
Current assets	208,695	12,150	220,845
Current liabilities	(16,779)	-	(16,779)
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2021	196,959	12,150	209,109
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>