

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 2024

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CIRCULAR COMMUNITIES SCOTLAND
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REPORT OF THE TRUSTEES

For the year ended 31 March 2024

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 March 2024 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).

FOREWORD FROM THE CHAIR

I write this foreword as the Circular Economy Bill sits at second stage, a new First Minister is in post in Scotland and a general election has just been called for the UK. Consumption still fuels the economy, debt levels continue to rise and the cost of living, use of food banks, housing and basic household needs are still critical. Why is it that as some have too much, others have significant needs, and yet the match of what exists between these two often ends up in landfill and classified as waste?

For years now it has been the members of Circular Community Scotland and the wider charity sector that have tried to plug these gaps. We have great data on impact from both a social and environmental perspective, but what about the data we are missing – the items that could be reused and repaired but aren't, the children sleeping on floors without a mattress, the food thrown away when people are hungry?

The Circular Economy Bill sets out the potential for reuse targets and we're certainly keen to see a focus further up the waste hierarchy. I know our members could play a significant role. It's a huge task and I believe there is room for a full ecosystem approach to increase both the collection of materials and maximise social impact through their redistribution.

Our sector delivers a great deal with limited resources but with the right support we could start to build a consistent approach that puts people and planet first. We want to see an increase to reuse activity, though I believe scale can be achieved by building on what's already there through collaboration and partnership, underpinned by investment in people and infrastructure.

On a personal level I've been saying 'we're ready' for the past year or so. I think we always have been, but I hope with the right political framework and legislation we will see the support we require to deliver change.

We are ready and we look forward to working with members and partners moving forwards.

OBJECTIVES AND ACTIVITIES

Purposes & activities

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.

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

For the year ended 31 March 2024

Purposes & activities (continued)

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. As well as supporting and representing our members, we are also involved in projects and programmes to support the third sector, in pursuit of zero waste. This includes:

- The Reuse Consortium
- The Share and Repair Network
- The Affordable Access to Bikes Project

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

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 again this year. Circular Communities Scotland monitors and manages the fund and delivery outcomes, providing reporting to the funder (Scottish Community Alliance).

CIRCULAR COMMUNITIES SCOTLAND
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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2024

ACHIEVEMENTS AND PERFORMANCE

Strategic Plan

We published a three-year Strategic Plan which outlines how we will achieve our organisational objectives for the period 1 April 2022 – 31 March 2025. Our key achievements for the year ended 31 March 2024 are outlined below, demonstrating how we have performed against each of our 4 Strategic Pillars.

1. **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.
 - This year our membership has grown to 260 members (from 251 at the end of March 2023), demonstrating our growing presence in the sector. Circular Communities Scotland members were active in all Local Authority areas in Scotland.
 - This year we have supported our members through 1,491 meaningful interactions with Circular Communities Scotland staff, which includes event attendance, phone/video calls, meetings in-person, email conversations, member-to-member enquiries, or conversations that take place over social media.
 - In our 2023 Annual Survey we asked members what they value most about their Circular Communities Scotland membership. Answers included:
 - *“A linked up approach to the circular economy, a stronger voice and an opportunity to make more of a difference because we are a more united sector”*
 - *“Approachability of staff, who understand the issues we are facing and happy to support us through challenges”*
 - *“Being part of a collective across Scotland, knowing that an organisation is advocating for the sector”*
 - In our Impact Report (Uniting for a Circular Scotland, November 2023), we reported that the combined membership of Circular Communities Scotland employed 1,941 staff and 7,267 volunteers, turned over £121 million and diverted 32,479 tonnes from landfill, saving the equivalent of 111,586 tonnes of CO₂e. Our member Merry-Go-Round said of Circular Communities Scotland’s Campaigns and Communications officer:
“we are so grateful to Sarah who has supported our aims as a social enterprise fully not only through highlighting Merry-Go-Round in the Circular Communities Scotland Impact Report, but also by volunteering at our most recent mega sale...she has gone out of her way to elevate our work in every way she can”.
 - We delivered a range of member events, including: 6 local forums which support members to network with others in their area; 4 policy events which provide information to members about relevant updates in the sector, such as the Circular Economy Bill and POPs guidance; 2 technical seminars designed to support members with marketing and funding/business support, as well as project-specific events for our Share and Repair Network and Affordable Access to Bikes project. One member said of our events:
“there are always opportunities to learn or share knowledge at their events and you feel part of a professional, but friendly, organisation. We don’t feel so isolated. Events are always well organised and I feel more knowledgeable and confident after attending the Circular Communities Scotland events”.
 - Circular Communities Scotland supports member organisations through our Reuse Consortium by acting as the lead partner in consortium bids for national frameworks.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2024

ACHIEVEMENTS AND PERFORMANCE (continued)

- Circular Communities Scotland distributed £5,900 of funding through the Pockets and Prospects micro-fund to 8 member organisations, via the Scottish Communities Alliance. Director of The General Store Selkirk said:
“We are very grateful to have had the Pockets and Prospects funding. It has allowed us to create a template for marketing the IT Repair Clinic that we can continue to use in the future.. Our overall clinic attendance increase by around 50% over the period of the project”.
- Circular Communities Scotland distributed £67,325 through the Share and Repair Network Tourism Fund which launched in January 2024, with the aim to use share, repair or reuse to open possibilities for a more circular approach in the tourism sector. Five organisations have been awarded funds and a Fund Coordinator is in post to provide support to the grantees.
- We operated the Reuse Consortium in conjunction with nine of our members who traded with seven Local Authorities, one Housing Association and a University. For the Financial Year 23/24, the Consortium diverted over 285,000 kg of waste from landfill equivalent to over 755 tonnes of CO2e and financial trading increased by 22% over the prior year. One Council buyer said of the Consortium:
“Using re-use items allows us to play our part in the council’s wider commitment to reducing our carbon footprint, preventing good working items being taken to landfill”
- We expanded our Share and Repair Network funded by Scottish Government and Zero Waste Scotland. At the end of March we had 107 members (we had 83 members at the end of March 2023). We also held our second Share and Repair Gathering event in Stirling in February 2024, which had over 70 attendees and was attended by the Circular Economy Minister who delivered the keynote speech for the event.
- Following the launch of our Affordable Access to Bike project funded by Cycling Scotland, we have held several events for bike reuse partners and stakeholders, including a quarterly bike reuse workshops and a project stakeholder workshop. The Director of CycleStation said:
“The support from Chris and the Circular Communities Scotland Team has been critical in facilitating the adoption of circular practices in the past 12 months which has already lead to significant environmental and economic advantages...this makes the membership extremely worthwhile”.

Funding has been agreed to develop a Bike Reuse Toolkit for Local Authorities to improve their reuse procedures and processes, reduce bike waste and increase the local supply of affordable bikes.

- 2. 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. We are actively engaging with Zero Waste Scotland, Scottish Government and wider stakeholders to call for this.
 - Circular Communities Scotland staff have presented at events throughout the year, highlighting the work of Circular Communities Scotland and our members, and the importance of working towards a circular economy in Scotland. Events include: presenting to business students at Strathclyde University, presenting to Scottish Cities Alliance and Fife Communities Climate Action Network about the importance of the Share and Repair Network, attending SCVO’s 2023 Gathering as a delegate and speaker, presenting to the Waste Management Officers Network about initiatives to encourage bike reuse at HWRCs.
 - In November 2023, the CEO gave evidence to the Net Zero, Energy and Transport Committee to discuss the Circular Economy Bill. This was followed by a letter to the Committee emphasising how the Bill could be strengthened and improved.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2024

ACHIEVEMENTS AND PERFORMANCE (continued)

- Following her attendance at the Circular Communities Scotland Annual Conference, our CEO wrote to the Minister for Circular Economy, with policy recommendations regarding the definition of waste and waste charges in Scotland.
 - Circular Communities Scotland orchestrated a meeting with the Minister for Circular Economy at the Linlithgow Community Development Trust to discuss the value of the Share and Repair Network, the impact of projects and policy opportunities.
 - The CEO added our name to the Stop Climate Chaos Scotland letter to the Prime Minister urging the Westminster government not to weaken any net zero policies.
 - Circular Communities Scotland submitted amendments to the Circular Economy Bill to be considered at Stage 2 in March 2024. Additionally, we have submitted a response to the Circular Economy and Waste Route Map Consultation, based on feedback from events held with members, with policy experts and with MSPs.
- 3. 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.
- In December 2023 we published the 'Circular Economy Carbon Tool Feasibility Study', which reviewed carbon models utilised by the community circular economy sector, as well engaging with members and carbon model developers, and concluded that there is currently no single tool that covers reuse, repair and sharing. Steps were started in January to March of 2024 to seek funding and development of a carbon tool for this sector.
- 4. Storytelling** – We offer 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.
- Our Annual Conference, 'Uniting for a Circular Scotland' called for a unification across the country to create a more circular economy in Scotland. The event had 154 attendees and keynote speakers included Minister for the Circular Economy, Ms Lorna Slater, Dr Jane Beasley from Zero Waste Scotland, and Environmental Activist Laura Young "Less Waste Laura".
 - Publications and News on our own website and social media, including our 'Continuing our Call for a Strong and Ambitious Circular Economy Bill' Campaign which ran in August 2023 and had over 34k impressions across social media platforms.
 - We have also published on external websites to increase our online presence, such as an opinion piece in The Herald by our CEO which reflected on the Deposit Return Scheme, and our Reuse Consortium featured in a video Case Study highlighting the benefits of CEIF funding, in collaboration with Zero Waste Scotland.
 - The Reuse Consortium was awarded the "Market Builder Award" at the Social Enterprise Scotland Awards 2023, and then went on to win the "Social Market Builder Award" at the UK Social Enterprise Awards 2023, highlighting the important work of all of our Consortium partners.
 - Our annual Policy Campaign launched in December 2023 and encouraged sustainable gift shopping through circular charities and social enterprises through the hashtag #ShopCircular. The campaign had almost 12,000 impressions on Facebook, and over 14,000 impressions on LinkedIn, with 457 link clicks directing traffic to the Circular Communities Scotland website.
 - Our #ShareRepairAware campaign in February 2024 had 48,000 impressions on social media and a 145% increase in page views for the Share and Repair Members Map during campaign week. The campaign was also shared by Net Zero Scotland and endorsed by the Minister for Circular Economy.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2024

ACHIEVEMENTS AND PERFORMANCE (continued)

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, Wellbeing Economic Alliance, Stop Climate Chaos Scotland and SCVO.

FINANCIAL REVIEW

The charity generated a deficit for the year of £36,886 (2023: £813 deficit). The total income amounted to £393,686 (2023: £381,273), of which £231,708 (2023: £157,715) was related to restricted projects and £161,978 (2023: £223,558) to unrestricted funds. At the balance sheet date the unrestricted reserves were £135,143 (2023: £176,197), with £27,244 (2023: £23,076) in restricted funds.

Membership subscriptions aside, there were three principal sources of funding for the period 2023/2024:

- Zero Waste Scotland Network Support for Third Sector Resource Management Organisations in Scotland.
- Scottish Government and Zero Waste Scotland funding for the Share and Repair Network
- Cycling Scotland funding for our Affordable Access to Bike Project
- Zero Waste Scotland Network funding for Share & Repair Circular Tourism Scheme, which started in October 2023.

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.

Reserves Policy

The Board of Directors has examined the charity's requirements for reserves considering the main risks to the organisation. This includes consideration of:

- The potential for unforeseen emergencies and day-to-day operating costs.
- The impact on the charity's beneficiaries following a sudden loss of funding or service.
- Uncertainty over future income in the current landscape and the need to allow for any gaps in funding.
- Plan for future growth and funding requirements associated with this.

The Board of Directors has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should cover between 3 and 7 and a half months of the critical expenditure (which is designated as salaries, rent, communication contracts, and utility bills) a figure of between £81,00 and £202,000.

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

The reserves at the year-end were £135,143 and the reserves policy was maintained throughout the financial year. Since the organisation has been growing rapidly in recent years these reserves are prudent to underpin this growth.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2024

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 (Share and Repair Tourism Fund, Consortium trading and Local Authority Bike Toolkit project).

PLANS FOR FUTURE PERIODS

Those working in the reuse, repair and sharing sector in Scotland know they will continue to make an enormous difference to the lives, and pockets, of people in their communities. We are conscious of the pressures that our members are working under, and the continued sustainability and funding needs in the sector. We will be here to support our members, who are already providing trailblazing reuse, repair and sharing in their local communities.

Opportunities for our members to grow and have greater impact will also be coming. This partly through increasing demand for their work from the cost-of-living and the climate crises and from potential policy and legislative changes. We will ensure our membership services will continue to support the community sector throughout all these opportunities and pressures, and we will continue to influence policy and advocate for the sector as the Circular Economy Bill progresses through Holyrood. We will continue to call for the Bill to focus more on reuse (further up the hierarchy) as a basic principle as well as our other calls.

We will work in partnership with others in the sector to call for this legislative change in addition to our work with Zero Waste Scotland and Scottish Government on the Waste Route Map and other policy changes, with the view to make the most of these new strategic opportunities for our members.

We will create opportunities through our own projects and always in collaboration with partners and members; in the next stages of a new Carbon Calculator Tool, to define what is next for the Share and Repair project, and to develop our bike project in close collaboration with local bike organisations, local authorities and with continued support from Cycling Scotland. Within these projects we will also seek to continue the diversification of our funding sources. Finally, we will continue working under the four pillars of our current strategic plan as set out above, while looking ahead to a new strategic period. During this strategic planning we will devise our next steps to ensure we are able to continue to support our members at the heart of Scottish communities, and at the forefront of reuse, repair and sharing, as we approach 2030.

CIRCULAR COMMUNITIES SCOTLAND
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REPORT OF THE TRUSTEES

For the year ended 31 March 2024

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.

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. Staff and board have received training on diversity and inclusion this year as part of our ongoing commitment to this important area.

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 2024 the Circular Communities Scotland Board had ten members, six of whom worked for membership organisations and two of whom worked in wider industry.

The new trading subsidiary – Circular Enterprises Ltd - which is wholly owned by Circular Communities Scotland began trading on 1 April 2023.

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

Staffing

Michael Cook continued in the role of Chief Executive Officer until December 2023 when Laura Alcock-Ferguson joined Circular Communities Scotland as Interim CEO whilst Michael is taking an unpaid sabbatical until end of August 2024. In addition to a part-time (4-day/week) CEO, the current staffing at the year-end consists of three full-time staff and 7 part-time staff.

CIRCULAR COMMUNITIES SCOTLAND
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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2024

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name:	Circular Communities Scotland	
Charity Number:	SC036006	
Company Number:	SC266160	
Trustees	Naomi Johnson	Chair
	Ian Harley	Resigned 4 th December 2023
	Ian Matheson	
	David Bryan	
	Mark Morgan	Appointed 4 th December 2023
	Rashid Khaliq	
	Sasha Taylor	
	Jon Molyneux	
	Laura Young	Appointed 23 rd August 2023
	Joanna Weston	Appointed 23 rd August 2023
		Resigned 27 th March 2024
	Donna Wood	Appointed 23 rd August 2023
	Mary Michel	Appointed 4 th December 2023
Secretary	Michael Cook	
Key Management Personnel	Michael Cook	Chief Executive Officer
	Laura Alcock-Ferguson	Interim Chief Executive Officer
	Michele Donegan	Finance & Office Coordinator
Registered Office and Operational Address	Suite 33 Stirling Business Centre Wellgreen Place Stirling FK8 2DZ	
Independent Examiner	Kevin Cattanach C.A. Whitelaw Wells Chartered Accountants 9 Ainslie Place Edinburgh EH3 6AT	
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS	
Solicitors	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 2024

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 16 September 2024 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 2024

I report on the accounts of the charity for the year ended 31 March 2024, which are set out on pages 13 to 25.

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

16 September 2024

CIRCULAR COMMUNITIES SCOTLAND
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STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income and endowments from:					
Charitable activities	4	136,672	231,708	368,380	300,661
Other trading activities	5	22,210	-	22,210	78,766
Investments - bank interest		3,096	-	3,096	1,846
		_____	_____	_____	_____
Total Income		161,978	231,708	393,686	381,273
		_____	_____	_____	_____
Expenditure on:					
Raising funds		30,163	-	30,163	28,687
Charitable activities		172,869	227,540	400,409	353,399
		_____	_____	_____	_____
Total Expenditure	6	203,032	227,540	430,572	382,086
		_____	_____	_____	_____
Net (Expenditure)/income		(41,054)	4,168	(36,886)	(813)
Transfer to/from funds		-	-	-	-
		_____	_____	_____	_____
Net Movement in Funds		(41,054)	4,168	(36,886)	(813)
Funds reconciliation					
Total funds brought forward	14	176,197	23,076	199,273	200,086
		_____	_____	_____	_____
Total funds carried forward	14	135,143	27,244	162,387	199,273
		=====	=====	=====	=====

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 2024

	Note	£	2024 £	2023 £
FIXED ASSETS				
Tangible assets	10		5,159	6,284
Investments	11		1	1
			5,160	6,285
CURRENT ASSETS				
Debtors	12	87,023		55,524
Cash at bank and in hand		105,600		164,970
				192,494
CREDITORS:				
Amounts falling due within one year	13	(35,396)		(27,506)
				157,227
NET CURRENT ASSETS			157,227	192,988
NET ASSETS			162,387	199,273
FUNDS				
Restricted	14		27,244	23,076
Unrestricted			135,143	176,197
			162,387	199,273

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for year to 31 March 2024. The members have not required the company to obtain an audit of financial statements for the year to 31 March 2024 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 16 September 2024 and are signed on their behalf by:



Naomi Johnson
Director

CIRCULAR COMMUNITIES SCOTLAND

NOTES TO THE ACCOUNTS

For the year ended 31 March 2024

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).

These financial statements contain information about Circular Communities Scotland as an individual charity and do not contain consolidated financial information as the parent of a group. Consolidated group accounts have not been prepared on the basis that the group is exempt since statutory thresholds have not been breached.

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.

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 2024

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:-

	Basis
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 2024

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.

i. Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

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 2024 nor for the year ended 31 March 2023.

Trustees' expenses

Four Trustees were reimbursed expenses of £878 in the year (2023: two Trustees were reimbursed £373).

During the year £2,800 (2023: £3,880) was paid to Naomi Johnson, a current trustee, in her capacity as a freelance consultant for a research piece of work for the Share and Repair project. The decision to use Naomi on this basis was approved by the wider board. There were no balances outstanding at the year end.

Circular Enterprises Limited is a subsidiary company of the charity. During the year £70,682 (2023: £Nil) of shared overheads was recharged to the subsidiary. £15,942 was outstanding at the year end (2023: £1 due to the subsidiary).

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 2024

4. Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£	£	£	£
Zero Waste Scotland	114,884	-	114,884	122,000
Zero Waste Scotland – Share and repair	-	47,500	47,500	57,015
Scottish Government	-	47,500	47,500	57,000
Cycling Scotland – Affordable bike project	-	62,683	62,683	35,700
Scottish Community Alliance	-	6,700	6,700	8,000
Zero Waste Scotland - Tourism	-	67,325	67,325	-
Membership subscriptions	21,788	-	21,788	20,946
	<hr/>	<hr/>	<hr/>	<hr/>
	136,672	231,708	368,380	300,661
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Income from charitable activities was £368,380 (2023: £300,661) of which £136,672 (2023: £142,946) was unrestricted and £231,708 (2023: £157,715) was restricted.

5. Income from trading activities

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£	£	£	£
Annual conference	21,867	-	21,867	22,350
Consortium trading	-	-	-	51,255
Other trading	-	-	-	5,161
Other income	343	-	343	-
	<hr/>	<hr/>	<hr/>	<hr/>
	22,210	-	22,210	78,766
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Income from other trading activities was £22,210 (2023: £78,766) of which £22,210 (2023: £78,766) was unrestricted and £Nil (2023: £Nil) was restricted.

CIRCULAR COMMUNITIES SCOTLAND

NOTES TO THE ACCOUNTS (cont)

For the year ended 31 March 2024

6. Expenditure

<u>Charitable Activities</u>	Project Costs	Govern- ance	Raising Funds	2024	2023
<u>Direct Costs</u>	£	£	£	£	£
Staff costs (note 7)	225,327	11,266	8,763	245,356	240,465
Other staff costs	8,835	442	344	9,621	12,536
Office supplies etc	4,328	-	-	4,328	4,332
SCA (Pockets & Prospects)	5,876	-	-	5,876	7,204
Grants payable (note 9)	67,325	-	-	67,325	-
Annual conference	-	-	19,879	19,879	18,392
Other expenses	7,918	-	-	7,918	7,045
Board expenses	-	703	-	703	976
Independent Examination	-	2,800	-	2,800	2,940
Research, Consultancy and Marketing	38,016	-	-	38,016	57,862
<u>Support Costs</u>					
Staff costs (note 7)	4,259	752	-	5,011	4,906
Other staff costs	167	29	-	196	255
Premises costs	9,787	544	544	10,875	13,780
Telephone	1,426	-	75	1,501	1,163
Repairs & renewals	559	-	29	588	786
Computer costs	6,383	-	336	6,719	4,734
Bank charges	270	-	14	284	136
Depreciation	3,401	-	179	3,580	4,574
	<u>383,874</u>	<u>16,535</u>	<u>30,163</u>	<u>430,572</u>	<u>382,086</u>

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

	2024	2023
	£	£
Salaries and wages	205,028	205,520
Social security costs	17,233	19,751
Other pension costs	28,282	24,129
	<u>250,543</u>	<u>249,400</u>

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 £79,937 (2023: £69,996). No employee had emoluments of more than £60,000 during either the current or previous year.

	2024	2023
	£	£
Average number of persons, by headcount, employed by the charity during the year was:-	10	8

CIRCULAR COMMUNITIES SCOTLAND

NOTES TO THE ACCOUNTS (cont)

For the year ended 31 March 2024

8. Net (Expenditure)/Income for the Year

This is stated after charging:

	2024	2023
	£	£
Depreciation	3,580	4,574
Independent Examiners' fees	2,800	2,460
	<u> </u>	<u> </u>

9. Grants payable

	2024	2023
	£	£
Transition Stirling	14,469	-
Highland Community Waste	11,781	-
Granton Remakery	8,780	-
Linlithgow Community Development Trust	14,831	-
Merry Go Round	17,464	-
	<u> </u>	<u> </u>
	67,325	-
	<u> </u>	<u> </u>

During the years grants totaling £67,325 (2023: £Nil) were payable to 5 organisations (2023: Nil organisations) supporting a more circular approach in the tourism sector.

10. Tangible Fixed Assets

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 April 2023	18,894	621	19,515
Additions	2,455	-	2,455
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2024	21,349	621	21,970
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 April 2023	12,610	621	13,231
Charge for the year	3,580	-	3,580
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2024	16,190	621	16,811
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 March 2024	5,159	-	5,159
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2023	6,284	-	6,284
	<u> </u>	<u> </u>	<u> </u>

CIRCULAR COMMUNITIES SCOTLAND

NOTES TO THE ACCOUNTS (cont)

For the year ended 31 March 2024

11. Fixed asset investments

The Charity holds 1 share Ordinary £1 share in its wholly owned subsidiary company Circular Enterprises Limited, a company registered in Scotland company number SC7291594.

Investments in subsidiary undertaking

	£
Cost and Net Book Value	
At 31 March 2023 and 31 March 2024	1
	1

Subsidiary undertakings

The following was a subsidiary undertaking of the Charity:-

Name	Class of Shares	Holding	Principal Activity
Circular Enterprises Limited	Ordinary	100%	Consortium trading and consultancy fees

The aggregate of share capital and reserves as at 31 March 2024 and of the profit for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves	Profit
	£	£
Circular Enterprises Limited	5,872	5,871
	5,872	5,871

12. Debtors

	2024	2023
	£	£
Trade debtors	3,800	9,431
Other debtors	1,175	1,175
Prepayments and accrued income	3,643	3,096
Grants receivable	62,463	41,822
Amounts owed by subsidiary undertakings	15,942	-
	87,023	55,524

CIRCULAR COMMUNITIES SCOTLAND

NOTES TO THE ACCOUNTS (cont)

For the year ended 31 March 2024

13. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	8,945	4,076
Accruals	8,188	4,349
Deferred income	18,263	15,300
Pension creditors	-	3,780
Amounts owed to subsidiary undertaking	-	1
	35,396	27,506
	35,396	27,506

Deferred income – Members Subscriptions

	2024	2023
	£	£
Opening deferred income	15,300	15,788
Released to Statement of Financial Activities	(15,300)	(15,788)
Closing deferred income	18,263	15,300
	18,263	15,300
	18,263	15,300

CIRCULAR COMMUNITIES SCOTLAND

NOTES TO THE ACCOUNTS (cont)

For the year ended 31 March 2024

14. 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 previous year.

Zero Waste Scotland and Scottish Government – Share & Repair – Funding from Zero Waste Scotland and Scottish Government to support the delivery of a network of sharing libraries and repair cafes in Scotland.

Zero Waste Scotland and Scottish Government – Tourism fund – Funding from Zero Waste Scotland to fund other organisations with the aim to use share, repair or reuse to open possibilities for a more circular approach in the tourism sector.

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.

Virtual Learning Exchange – Funding from Scottish community Alliance to support the Cycle hubs.

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.

Investments represents the share capital in the charity's wholly owned trading subsidiary.

15. 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 £28,282 (2023: £24,129). The balance outstanding at the year end is £Nil (2023: £Nil).

16. Operating lease commitment

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

	2024	2023
	Land & Buildings	Land & buildings
	£	£
Within one year	1,050	940

CIRCULAR COMMUNITIES SCOTLAND

NOTES TO THE ACCOUNTS (cont)

For the year ended 31 March 2024

17. Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fixed assets	5,159	-	5,159
Investments	1	-	1
Current assets	165,379	27,244	192,623
Current liabilities	(35,396)	-	(35,396)
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2024	135,143	27,244	162,387
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Comparative - 2023

	Unrestricted £	Restricted £	Total £
Fixed assets	6,284	-	6,284
Investments	1	-	1
Current assets	197,418	23,076	220,494
Current liabilities	(27,506)	-	(27,506)
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2023	176,197	23,076	199,273
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>