

CIRCULAR COMMUNITIES SCOTLAND LTD

(a company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

COMPANY REGISTRATION NO: SC266160

CHARITY NO: SC036006

**WHITELAW WELLS
Statutory Auditors
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AT**

CIRCULAR COMMUNITIES SCOTLAND LTD
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REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

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CIRCULAR COMMUNITIES SCOTLAND LTD
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REPORT OF THE TRUSTEES

For the year ended 31 March 2026

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity and the group for the year ending 31 March 2026 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

This has been another strong year for Circular Communities Scotland which continues to grow in impact and in the number of members we support. As an organisation focused on both social and environmental outcomes within the social economy, we look forward to seeing how our members can increasingly contribute to the better use of resources in the upcoming years. With the Circular Economy Bill now in place we are focused on ensuring action plans from this Bill are in line with the ambitions that have been set.

In this Trustee Report you will find information on our objectives and activities, our achievement and performance during the last year, a financial review, our future plans, and details of our structure, governance, and management.

OBJECTIVES AND ACTIVITIES

Circular Communities Scotland Vision and Values

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

Our values are the underlying principles that guide our work and are the following:

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

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.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2026

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, repair, 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 and the resources we have written. As well as supporting and representing our members, we are involved in projects and programmes to support the third sector, in pursuit of zero waste.

In the past year this has included:

- The Reuse Consortium
- The Share and Repair Network
- The Share and Repair Tourism Fund
- Scottish Power Energy Networks Community Fund Resources.

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 e.g. the Share and Repair Tourism Fund.

ACHIEVEMENTS AND PERFORMANCE

In March 2025 we published a three-year Strategic Plan outlining how we plan to achieve our organisational objectives for the period 1 April 2025 – 31 March 2028. Our key achievements for the year ended 31 March 2026 are outlined below noting our desired outcomes from our activities; reporting against each of our 3 Key Pillars.

1. Building Capacity through our Member Services

Outcome: Our members within the circular economy are better equipped to deliver their projects, enabled by the support we provide.

We saw our membership increase during the year to 270 full members in March 2026 (258 members in March 2025), operating across all 32 Local Authority areas of Scotland. As we serve and support our members our primary focus is on capacity-building seeking to grow our members than grow our membership.

- We carried out Member Analysis to ascertain the breadth and range of the members we serve. This included refreshing member categories in terms of project type to; reuse, community education, repair, food & composting, sharing, bike reuse, consortium, other. It also included looking at the current barriers and issues our members face and how our members currently engage with our services.
- From this a Core Membership Strategy was agreed which will continue to inform the decisions made to enable a focus on building capacity in our sector, with the aim of effectively meeting the needs of our different members. This will ensure that we will continue to make the most efficient use of our limited resources across the whole organisation.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2026

ACHIEVEMENTS AND PERFORMANCE (continued)

- This year we have supported our members through 1,550 meaningful interactions with Circular Communities Scotland staff; this includes event attendance, phone and video calls, meetings in person, email conversations and member-to-member enquiries.
- Member to member enquiries enables increased networking, knowledge sharing and peer support across the sector. Where one member has a query, we facilitate a sharing of other members' experience and information on the topic. This year we facilitated 29 of these covering a wide range of important topics including HR, finance, regulations, training, and governance.
- Each of our 27 events, attended by 810 people over the year had a clear capacity building goal covering a wide range of topics. These included our Annual Conference with the theme 'Building Capacity for Sustainable Communities'. Eight regional forums supported members to network with others in their area. Our technical seminars provided members with marketing and funding/business support, and there were eight events specific to our Share and Repair Network. A policy manifesto consultation was carried out and four Bike Reuse events were provided in partnership with Cycling Scotland.
- Our Marketing Strategy was developed during the year, setting out a clear vision and practical framework for Circular Communities Scotland's communications, branding, and audience engagement for the 2025–2028 period. A comprehensive website refresh aimed to provide further value for our members, bringing all our projects and output together in one place, streamlining our marketing output and supporting future flexibility as our work develops.

2. Creating Opportunities through our Policy Work

Outcome: Government policies will create new opportunities for circular activities for our members, brought about through our influencing and representation work.

This year saw significant progress made towards our vision where our policy representation will create the right conditions for our members to deliver a more circular economy. We want to see the right policies implemented, in the right way, and move from representation to influence, growing policy partnerships with our members and wider stakeholders.

- Circular Communities Scotland's 'Reuse First' Manifesto was published in May 2025. The three key asks to Scottish Government: Reuse Targets, Reuse Infrastructure and Reuse Investment, were identified and agreed in collaboration with members and stakeholders. Meetings were held with the Cabinet Secretary and SNP Head of Policy, with dedicated communications to highlight and promote this key piece of work. Future work has been enabled by the appointment of a Circular Policy Officer in February 2026, made possible through funding from the Esmée Fairbairn Foundation. This gives us the impetus to gain momentum on all our policy work and ambitions.
- Other key connections in relation to policy included our CEO presenting to the Scottish Government Waste Forum and meeting with the Resource Management Association Scotland regarding the Reuse Strategy for Local Authorities. Our Share and Repair Network Coordinator made valuable connections at National level involving five Scottish MPs at the UK Parliamentary Repair Café.
- Members views were gathered to feed into two significant policy consultations, which Circular Communities Scotland then responded to on their behalf: A review of the Scottish Landfill Community Fund, and another on reducing textile waste through more recycling and reuse services considering solutions.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2026

ACHIEVEMENTS AND PERFORMANCE (continued)

- Our annual conference was attended by delegates from Scottish Government and Scottish Local Authorities. Local Authority representatives have attended our Forum events over the year, enabling our members to build positive relationships with a view to working together and influencing policy.
- The appointment of our Local Authority Partnership Officer in September 2025 (Funded by Zero Waste Scotland) had the objective of supporting the development of relationships between Local Authorities and members to enable the delivery of reuse. Very positive links were made with 14 Local Authorities in the first 6 months of this post, and it is expected to result in more influence and opportunity of our members in their specific localities.

3. Strengthening our Organisation

Outcome: Circular Communities Scotland is recognised as a strong and resilient organisation, demonstrated through our effective processes, strong partnerships and robust policies and practices.

We continued to strengthen our organisation developing partnerships, reviewing our policies and providing a welcoming and supportive environment in which all our staff thrive.

- Partnership working was strengthened across a wide range of stakeholders. Staff contributed to many external stakeholder events throughout the year, including being a panel member at Fixfest (London) for a session entitled “The Power of Networks” along with representatives from Wales, NI, England, Argentina & Belgium. Strathclyde University, Glasgow Caledonian University and Edinburgh University students and university staff alike benefitted from Circular Communities Scotland staff input and wider links were formed to strengthen our impact.
- Welcome, and significant funding from Esmée Fairbairn Foundation has enabled us to move forward with our Diversity, Equality and Inclusivity (DEI) work, providing training to staff, developing a new recruitment pack focussing on inclusion and accessibility with the goal of attracting diverse candidates to our roles, and reviewing our policies. We included additional questions in our annual staff survey in August and reviewed the staff handbook to ensure that it reflected our values and aspirations as a progressive and flexible employer.
- A Monitoring and Evaluation Plan was developed in collaboration with Zero Waste Scotland for the deliverables agreed in our contract with them. This plan has formed the basis for wider work towards us effectively demonstrating our impact. We began to review our approach and systems with all staff being involved in the process.
- Scottish Power Energy Networks commissioned Circular Communities Scotland to develop resources for potential applicants to their Community Benefit Fund giving opportunity for new income and partnership working. Members contributed to four ‘How-to Guides’ and case studies on circularity topics.
- Linked to our income generation aspirations to strengthen the organisation, the Reuse Consortium Business Plan articulated the vision for development, which has been fulfilled during the year. The new Scotland XL contract was signed off in June 2025, with the Consortium involving eight members supplying goods to seven Local Authorities and one Housing Association. For the Financial Year 25/26, the Consortium diverted over 318,739 kg of waste from landfill equivalent to over 844 tonnes of CO2 emissions and financial trading increased by 6.7% over the prior year. A new donations partnership was set up providing the potential to divert further goods from landfill and support Consortium members in their ability to supply to their buyers.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2026

ACHIEVEMENTS AND PERFORMANCE (continued)

- Wider partnerships enable Circular Communities Scotland to become a stronger organisation and represent our members most effectively. Circular Communities Scotland is a member of RREUSE, The European network of community re-use and recycling organisations and continues to be an active member of the Scottish Community Alliance; Social Enterprise Scotland, Wellbeing Economic Alliance, Stop Climate Chaos Scotland and SCVO.

FINANCIAL REVIEW

The results for the year are set out in the Statement of Financial Activities (SOFA) on page 16, which shows the consolidated income and expenditure of the charity and its subsidiary, Circular Enterprises Limited. Separate results for the charity alone are shown in the income & Expenditure account on page 17 and the results for the subsidiary company are summarised in note 11 on page 27.

The charity on its own generated a surplus for the year of £50,479 (deficit of 2025: £20,606). The total income amounted to £405,205 (2025: £444,835), of which £266,631 (2025: £249,183) was related to restricted projects and £138,574 (2025: £195,652) to unrestricted funds. At the balance sheet date the unrestricted reserves were £147,561 (2025: £129,127), with £44,699 (2025: £12,654) in restricted funds.

There were several principal sources of funding for the period 2025/2026:

- Zero Waste Scotland Network Support for Third Sector Resource Management Organisations in Scotland (this includes funding for our Share and Repair Network and our Local Authority Partnership work).
- Esmée Fairbairn Foundation have provided unrestricted funding to support our strategic plan. This is being used in three key areas – diversity, policy and capacity building work.
- Awards for All funding towards our event programme.
- Trading income from a variety of sources including membership fees, event income, reuse consortium fees and consultancy work

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.

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

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2026

FINANCIAL REVIEW (continued)

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 £87,000 and £217,500.

The free reserves at the year-end were £110,577 so the reserves policy was met at the year end. Since the organisation has been growing rapidly in recent years these reserves are prudent to underpin this growth.

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 continued to grow our trading income and have included the preparation of an Income Generation strategy as a key action in our new strategic plan.

As a people organisation, the loss of our CEO, key staff and/or board members are all recognised as important risks to monitor, and these are reviewed regularly. Since we are now recruiting a CEO, this is a key appointment for us and is a risk being closely managed by the board.

Lastly, ongoing financial losses using up our reserves is also identified as a risk to manage and reserve levels are reported monthly in our management accounts.

PLANS FOR FUTURE PERIODS

Having established our 10-year goal for a thriving organisation supporting a thriving circular economy, we will continue to use our Strategic Plan (2025-2028) as a clear roadmap for the year ahead. The three key pillars provide a framework for our work towards clear outcomes.

Building Capacity through our Member Services

With a vision to see a sector with significantly strong capacity; in serving our members our primary focus will be to provide meaningful events, clear and effective communication, and skills development opportunities. Members will report on being better equipped to deliver their services.

Creating Opportunities through our Policy Work

Having a dedicated policy officer for the full year of 2026/27 will contribute strongly to our influencing work in collaboration with our members. Our policy representation will create the right conditions for our members to deliver more circular economy activity.

Seeking further funding to take forward the Carbon Measurement prototype, developed and welcomed by key members in March 2025, will enable Circular Communities Scotland to gather strong data to ultimately affect policy.

We expect new opportunities for circular activities to be created through our work in the policy arena.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2026

PLANS FOR FUTURE PERIODS (continued)

Strengthening our Organisation

Whilst we have made strong progress in strengthening the organisation in recent years, we want to continue this by strengthening and developing our team, broadening our diversity understanding, continuing to review and develop our monitoring and evaluation systems, and seeking further income generation opportunities.

Our strategic plan can be access via the publication page of our website.

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 and key interests 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-opted members, as part of their induction. Many Trustees are already familiar with the practical work of Circular Communities Scotland being elected from the 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 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 three months and is responsible for the strategic direction and policy of the organisation. At March 2026 the Circular Communities Scotland Board had twelve members, nine of whom work for membership organisations and three of whom work in wider industry.

The trading subsidiary, Circular Enterprises Ltd, is wholly owned by Circular Communities Scotland.

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REPORT OF THE TRUSTEES

For the year ended 31 March 2026

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

Staffing

In addition to a part-time (4-day/week) CEO, the current staffing at the year-end consists of two full-time staff and nine part-time staff.

In February 2026 Michael Cook our CEO submitted his resignation to pursue his passion of wildlife photography. We want to thank Michael for his excellent leadership, growing and strengthening the organisation over more than seven years. The trustees have activated a recruitment plan, and interim measures have been introduced to support the organisation until a new CEO is appointed. As trustees we believe the organisation is in a strong place and the staff and Board will continue to work hard to deliver our vision of a circular economy in Scotland.

Key management remuneration

Circular Communities Scotland staff, including all key management staff, are contractually entitled to an annual salary review. The salary review looks at equivalent marketplace salaries for each role and assesses where staff are against the marketplace average and whether any adjustments to salaries for specific roles are warranted. Where particular roles may be difficult to recruit for due to locality or required skillsets, this may also be a factor influencing increases to salary.

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2026

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name:	Circular Communities Scotland Ltd	
Charity Number:	SC036006	
Company Number:	SC266160	
Trustees	Naomi Johnson	Chair
	Ian Matheson	
	David Bryan	
	Mark Morgan	
	Sasha Taylor	Resigned 11 th August 2025
	Jon Molyneux	
	Laura Young	
	Donna Wood	
	Mary Michel	
	Chris Hellawell	Appointed 1 st July 2025
	Austin Hardie	Appointed 1 st July 2025
	Marie-Anne Brown	Appointed 1 st July 2025
	Steve Coutts	Appointed 21 st August 2025
Secretary	Michael Cook	Resigned 30 June 2026
Key Management Personnel	Michael Cook	Chief Executive Officer until 30 June 2026
	Matt Lewis	Interim Chief Executive Officer from 30 June 2026
	Michele Donegan	Finance & Office Coordinator until 7 November 2025
	David McQuatt	Finance & Office Coordinator from 1 December 2025
Registered Office and Operational Address	Suite 35 Stirling Business Centre Wellgreen Place Stirling FK8 2DZ	
Independent Auditors	Whitelaw Wells Statutory Auditor 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	

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REPORT OF THE TRUSTEES (cont)

For the year ended 31 March 2026

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.

Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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

Approved by the Trustees on 24th September 2026 and signed on their behalf by:-



.....
Naomi Johnson
Trustee, Chair

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF

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

For the year ended 31 March 2026

Opinion

We have audited the financial statements of Circular Communities Scotland for the year ended 31 March 2026, which comprise the Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account), the charity Statement of Financial Activities (incorporating the Income and Expenditure Account), the consolidated Balance Sheet, the charity Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and group affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' (who are also the directors of the company for company law purposes) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF

CIRCULAR COMMUNITIES SCOTLAND LTD

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(cont)

For the year ended 31 March 2026

we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report, prepared for the purposes of company law and included in the report of the trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included with the report of the trustees, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included in the report of the trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report, included within report of the trustees, and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF

CIRCULAR COMMUNITIES SCOTLAND LTD

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(cont)

For the year ended 31 March 2026

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were considered, reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF

CIRCULAR COMMUNITIES SCOTLAND LTD

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(cont)

For the year ended 31 March 2026

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Cattanach

Senior Statutory Auditor

for and on behalf of Whitelaw Wells, Statutory Auditor

Whitelaw Wells is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

9 Ainslie Place

Edinburgh EH3 6AT

24th September 2026

CIRCULAR COMMUNITIES SCOTLAND LTD
(a company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2026

		Unrestricted Funds 2026 £	Restricted Funds 2026 £	Total Funds 2026 £	Total Funds 2025 £
	Note				
Income and endowments from:					
Charitable activities	4	99,916	265,749	365,665	412,311
Other trading activities	5	131,612	882	132,494	111,241
Investments - bank interest received		3,437	-	3,437	3,270
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		234,965	266,631	501,596	526,822
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Raising funds		31,100	-	31,100	30,719
Charitable activities		170,141	241,125	411,266	511,986
		<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditure	6	201,241	241,125	442,366	542,705
		<hr/>	<hr/>	<hr/>	<hr/>
Net Income/(Expenditure)		33,724	25,506	59,230	(15,883)
Transfer to/from funds		(6,539)	6,539	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds		27,185	32,045	59,230	(15,883)
Funds reconciliation					
Total funds brought forward	14	139,721	12,654	152,375	168,258
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	14	166,906	44,699	211,605	152,375
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The results for the year derive from continuing activities.
There are no gains or losses other than those shown above.
The notes on pages 20 - 33 form part of these financial statements.

CIRCULAR COMMUNITIES SCOTLAND LTD
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2026

		Unrestricted Funds 2026 £	Restricted Funds 2026 £	Total Funds 2026 £	Total Funds 2025 £
	Note				
Income and endowments from:					
Donations and legacies					
Gift aided profits from subsidiary undertaking		10,594	-	10,594	5,871
Charitable activities	4	99,916	265,749	365,665	412,311
Other trading activities	5	24,627	882	25,509	23,383
Investments - bank interest received		3,437	-	3,437	3,270
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		138,574	266,631	405,205	444,835
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Raising funds		31,100	-	31,100	30,719
Charitable activities		82,501	241,125	323,626	434,722
		<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditure	6	113,601	241,125	354,726	465,441
		<hr/>	<hr/>	<hr/>	<hr/>
Net Income/(Expenditure)		24,973	25,506	50,479	(20,606)
Transfer to/from funds		(6,539)	6,539	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds		18,434	32,045	50,479	(20,606)
Funds reconciliation					
Total funds brought forward	14	129,127	12,654	141,781	162,387
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	14	147,561	44,699	192,260	141,781
		<hr/>	<hr/>	<hr/>	<hr/>

The results for the year derive from continuing activities.
There are no gains or losses other than those shown above.
The notes on pages 20 - 33 form part of these financial statements.

CIRCULAR COMMUNITIES SCOTLAND LTD
(a company limited by guarantee)

CONSOLIDATED AND CHARITY BALANCE SHEET

As at 31 March 2026

	Note	Group		Charity	
		2026	2025	2026	2025
		£	£	£	£
FIXED ASSETS					
Tangible assets	10	507	2,028	507	2,028
Investments	11	-	-	1	1
		<u>507</u>	<u>2,028</u>	<u>508</u>	<u>2,029</u>
CURRENT ASSETS					
Debtors	12	30,375	26,366	24,632	19,945
Cash at bank and in hand		227,722	177,691	207,526	164,353
		<u>258,097</u>	<u>204,057</u>	<u>232,158</u>	<u>184,298</u>
CREDITORS:					
Amounts falling due within one year	13	(46,999)	(53,710)	(40,406)	(44,546)
		<u>211,098</u>	<u>150,347</u>	<u>191,752</u>	<u>139,752</u>
NET CURRENT ASSETS					
		<u>211,098</u>	<u>150,347</u>	<u>191,752</u>	<u>139,752</u>
NET ASSETS		<u>211,605</u>	<u>152,375</u>	<u>192,260</u>	<u>141,781</u>
FUNDS	14				
Restricted		44,699	12,654	44,699	12,654
Unrestricted		166,906	139,721	147,561	129,127
		<u>211,605</u>	<u>152,375</u>	<u>192,260</u>	<u>141,781</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved by the Board of Trustees on 24th September 2026 and were signed on its behalf by:



Naomi Johnson
Trustee

Company Registration No: SC266160

The notes on pages 20 – 33 form part of these financial statements.

CIRCULAR COMMUNITIES SCOTLAND LTD
(a company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2026

	Note	2026 £	2025 £
Cash flows from operating activities:			
Net cash (used in) operating activities	below	46,594	53,755
		<hr/>	<hr/>
Cash flows from investing activities:			
Purchase of fixed assets		-	-
Interest received		3,437	3,270
		<hr/>	<hr/>
Net cash provided by investing activities		3,437	3,270
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		50,031	57,025
Cash and cash equivalents at the beginning of the year		177,691	120,666
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		227,722	177,691
		<hr/> <hr/>	<hr/> <hr/>
<u>Reconciliation of net income to net cash flow from operating activities</u>			
		2026 £	2025 £
Net Income/(expenditure) for the year (as per Statement of Financial Activities)		59,230	(15,883)
<u>Adjusted for:</u>			
Depreciation charge		1,521	3,131
Interest received		(3,437)	(3,270)
(Increase)/Decrease in debtors		(4,009)	52,561
(Decrease)/Increase in creditors		(6,711)	17,216
		<hr/>	<hr/>
Net cash (used in) operating activities		46,594	53,755
		<hr/>	<hr/>

The notes on pages 20 - 33 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2026

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 are a consolidation of the Circular Communities Scotland Ltd (the charity) and is wholly owned subsidiary, Circular Enterprises Limited see note in accordance with Scottish Statutory Instrument 2006 No.218 The Charities Accounts (Scotland) Regulations 2006. Separate results are shown for the charity in the income & expenditure account on page 17 and the balance sheet on page 18.

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

The directors consider there are no material uncertainties about the charitable company's ability to continue as a going concern. The Directors going concern assessment is for a period of at least 12 months from the date of signing of these financial statements. Accordingly the financial statements have been prepared on a going concern basis.

The functional and presentational currency of the financial statements is the pound sterling (£) and the amounts are rounded to the nearest £.

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 14.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

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 6 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 £1,000 are capitalised and recorded 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.

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

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.

j. Provisions

Provisions are recognised when the charity has a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

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.

CIRCULAR COMMUNITIES SCOTLAND LTD

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

3. Related Party Transactions and Trustees' Expenses and Remuneration

Other than one Trustee receiving £596 (2025: £Nil) for speaking at events on behalf of the charity there was no Trustees' remuneration or other benefits for the year ended 31 March 2026 nor for the year ended 31 March 2025.

Trustees' expenses

Five Trustees were reimbursed expenses of £1,519 in the year (2025: three Trustees were reimbursed £954).

Circular Enterprises Limited is a subsidiary company of the charity. During the year £69,841 (2025: £67,308) of shared overheads was recharged to the subsidiary. £6,513 was outstanding at the year end (2025: £6,922 outstanding) and removed on consolidation.

Directors are often directors of organisations that transaction with the charity. They all pay services at the same rates as any other member organisations but in the year subscriptions of £410 (2025: £475) and consortium trading income of £1,049 (2025: £6,892) was received from these parties. There was nothing due at either year end from these organisations.

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

4. Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
	£	£	£	£
Zero Waste Scotland	-	-	-	118,102
Zero Waste Scotland – Share & Repair	-	-	-	80,250
Zero Waste Scotland – Carbon	-	-	-	59,360
Cycling Scotland – Affordable Bike Project	-	-	-	41,240
Zero Waste Scotland - Tourism	-	-	-	67,325
Membership subscriptions	28,215	-	28,215	26,150
National Lottery – Awards for All	-	-	-	19,884
Zero Waste Scotland – Revolve	-	6,900	6,900	-
Zero Waste Scotland – Core Service Support	-	258,849	258,849	-
Esmée Fairbairn Foundation	71,701	-	71,701	-
	<hr/>	<hr/>	<hr/>	<hr/>
	99,916	265,749	365,665	412,311
	<hr/>	<hr/>	<hr/>	<hr/>

Income from charitable activities was £365,665 (2025: £412,311) of which £99,916 (2025: £164,136) was unrestricted and £265,749 (2025: £248,175) was restricted.

CIRCULAR COMMUNITIES SCOTLAND LTD

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

5. Income from trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2026 £	Total 2025 £
Annual conference	24,060	126	24,186	22,107
Other income	567	756	1,323	1,276
Charity	24,627	882	25,509	23,383
Consortium trading and contracts	80,925	-	80,925	87,608
Other trading activities	26,060	-	26,060	250
Group	131,612	882	132,494	111,241

Income from other trading activities was £132,494 (2025: £111,241) of which £31,612 (2025: £110,233) was unrestricted and £882 (2025: £1,008) was restricted.

6. Expenditure

	Project Costs £	Govern- ance £	Trading Activities £	Raising Funds £	2025 £	2024 £
<u>Charitable Activities</u>						
<u>Direct Costs</u>						
Staff costs (note 7)	238,343	11,917	66,821	9,269	326,350	328,267
Other staff costs	13,900	695	1,514	541	16,650	10,898
Office supplies etc	4,545	-	-	-	4,545	3,997
Grants payable (note 9)	-	-	-	-	-	67,325
Annual conference	-	-	-	20,338	20,338	19,732
Other expenses	655	-	217	-	872	766
Board expenses	-	1,421	-	-	1,421	2,296
Accountancy	-	1,920	890	-	2,810	-
Audit	-	9,750	4,000	-	13,750	11,160
Research, Consultancy and Marketing	18,277	-	1,250	-	19,527	60,342
<u>Support Costs</u>						
Staff costs (note 7)	4,502	795	-	-	5,297	5,421
Other staff costs	278	15	-	15	308	187
Premises costs	8,651	-	1,200	518	10,369	14,543
Telephone	1,205	-	381	63	1,649	1,674
Repairs & renewals	477	-	34	25	536	905
Computer costs	4,230	-	7,413	223	11,866	9,423
Bank charges	605	-	37	32	674	728
Depreciation	1,445	-	-	76	1,521	3,131
Professional fees	-	-	3,883	-	3,883	1,910
	297,113	26,513	87,640	31,100	442,366	542,705

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

CIRCULAR COMMUNITIES SCOTLAND LTD

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

7. Staff Costs and Numbers

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Salaries and wages	275,427	278,957	214,615	223,643
Social security costs	23,998	20,844	21,663	18,382
Other pension costs	32,222	33,847	28,548	29,009
	<hr/>	<hr/>	<hr/>	<hr/>
	331,647	333,688	264,826	271,034
	<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 personnel was £88,961 (2025: £85,820). No employee had emoluments of more than £60,000 during either the current or previous year.

Average number of persons, by headcount, employed by the charity and group during the year was:

	2026	2025
	£	£
Management	3	3
Project Staff	7	7
	<hr/>	<hr/>
	10	10
	<hr/>	<hr/>

8. Net Income/(Expenditure) for the Year

This is stated after charging:

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Depreciation	1,521	3,131	1,521	3,131
Auditors' remuneration – audit fee	8,650	7,000	6,200	4,750
Auditors' remuneration – non audit fee	5,100	4,160	3,550	2,810
	<hr/>	<hr/>	<hr/>	<hr/>
	15,271	14,291	11,271	10,691
	<hr/>	<hr/>	<hr/>	<hr/>

CIRCULAR COMMUNITIES SCOTLAND LTD

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

9. Grants payable	2026	2025
	£	£
Transition Stirling	-	14,469
Highland Community Waste Partnership	-	11,781
Granton Remakery	-	8,780
Linlithgow Community Development Trust	-	14,831
Merry Go Round	-	17,464
	<hr/>	<hr/>
	-	67,325
	<hr/>	<hr/>

During the years grants totaling £ Nil (2025: £67,325) were payable to organisations (2025: 5 organisations) supporting a more circular approach in the tourism sector.

10. Tangible Fixed Assets – charity and group

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 April 2025	21,350	620	21,970
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2026	21,350	620	21,970
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2025	19,322	620	19,942
Charge for the year	1,521	-	1,521
	<hr/>	<hr/>	<hr/>
At 31 March 2026	20,843	620	21,463
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2025	2,028	-	2,028
	<hr/>	<hr/>	<hr/>
At 31 March 2026	507	-	507
	<hr/>	<hr/>	<hr/>

CIRCULAR COMMUNITIES SCOTLAND LTD

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

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 SC729159.

Investments in subsidiary undertaking

	£
Cost and Net Book Value	
At 31 March 2025 and 31 March 2026	1
	<hr/> <hr/>

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 2026 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	19,346	19,345
	<hr/> <hr/>	<hr/> <hr/>

12. Debtors

	Group 2026 £	2025 £	Charity 2026 £	2025 £
Trade debtors	24,716	22,242	12,460	8,900
Other debtors	1,227	1,227	1,227	1,227
Prepayments and accrued income	4,432	2,897	4,432	2,897
Amounts owed by subsidiary undertaking	-	-	6,513	6,921
	<hr/>	<hr/>	<hr/>	<hr/>
	30,375	26,366	24,632	19,945
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CIRCULAR COMMUNITIES SCOTLAND LTD

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

13. Creditors: amounts falling due within one year

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Trade creditors	260	8,283	260	6,400
Accruals	18,708	15,177	14,707	11,727
Deferred income	25,518	23,663	25,518	23,663
VAT	-	3,831	-	-
Pension creditors	2,513	2,756	(79)	2,756
	<hr/>	<hr/>	<hr/>	<hr/>
	46,999	53,710	40,406	44,546
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred income – Members Subscriptions

	2026	2025
	£	£
Opening deferred income	23,663	18,263
Released to Statement of Financial Activities	(23,663)	(18,263)
Received and deferred in the year	25,518	23,663
	<hr/>	<hr/>
	25,518	23,663
	<hr/>	<hr/>

CIRCULAR COMMUNITIES SCOTLAND LTD

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2025

14. Reserves

Group	Balance 1 April 2025 £	Income £	Expenditure £	Transfer £	Balance 31 March 2026 £
Restricted funds					
Cycling Scotland	11,100	-	-	-	11,100
Zero Waste Scotland – Core Service Support					
Core	-	144,599	(144,599)	-	-
Share & Repair	1,554	64,882	(59,539)	-	6,897
Partnership	-	50,250	(30,448)	-	19,802
Zero Waste Scotland - Carbon	-	-	(6,539)	6,539	-
Zero Waste Scotland – Revolve	-	6,900	-	-	6,900
Total restricted funds	12,654	266,631	(241,125)	6,539	44,699
Unrestricted funds					
General funds	137,693	163,264	(183,841)	(6,539)	110,577
<u>Designated funds:</u>					
Esmée Fairbairn Foundation	-	71,701	(15,879)	-	55,822
Tangible fixed assets	2,028	-	(1,521)	-	507
Total unrestricted funds	139,721	234,965	(201,241)	(6,539)	166,906
TOTAL FUNDS	152,375	501,596	(442,366)	-	211,605

	Balance 1 April 2024 £	Income £	Expenditure £	Transfer £	Balance 31 March 2025 £
Restricted funds					
Cycling Scotland	27,060	41,240	(57,200)	-	11,100
Zero Waste Scotland – Share & Repair	184	81,258	(79,888)	-	1,554
Zero Waste Scotland – Tourism	-	67,325	(67,325)	-	-
Zero Waste Scotland - Carbon	-	59,360	(59,360)	-	-
Total restricted funds	27,244	249,183	(263,773)	-	12,654
Unrestricted funds					
General funds	135,855	277,639	(275,801)	-	137,693
<u>Designated funds:</u>					
Tangible fixed assets	5,159	-	(3,131)	-	2,028
Total unrestricted funds	141,014	277,639	(278,932)	-	139,721
TOTAL FUNDS	168,258	526,822	(542,705)	-	152,375

CIRCULAR COMMUNITIES SCOTLAND LTD

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

14. Reserves (cont)

Charity	Balance 1 April 2025	Income	Expenditure	Transfer	Balance 31 March 2026
Restricted funds					
Cycling Scotland	11,100	-	-	-	11,100
Zero Waste Scotland – Core Service Support					
Core	-	144,599	(144,599)	-	-
Share & Repair	1,554	64,882	(59,539)	-	6,897
Partnership	-	50,250	(30,448)	-	19,802
Zero Waste Scotland - Carbon	-	-	(6,539)	6,539	-
Zero Waste Scotland – Revolve	-	6,900	-	-	6,900
Total restricted funds	12,654	266,631	(241,125)	6,539	44,699
Unrestricted funds					
General funds	127,098	66,873	(96,201)	(6,539)	91,231
<u>Designated funds:</u>					
Esmée Fairbairn Foundation	-	71,701	(15,879)	-	55,822
Tangible fixed assets	2,028	-	(1,521)	-	507
Investments	1	-	-	-	1
Total unrestricted funds	129,127	138,574	(113,601)	(6,539)	147,561
TOTAL FUNDS	141,781	405,205	(354,726)	-	192,260

	Balance 1 April 2024 £	Income £	Expenditure £	Transfer £	Balance 31 March 2025 £
Restricted funds					
Cycling Scotland	27,060	41,240	(57,200)	-	11,100
Zero Waste Scotland – Share & Repair	184	81,258	(79,888)	-	1,554
Zero Waste Scotland – Tourism	-	67,325	(67,325)	-	-
Zero Waste Scotland - Carbon	-	59,360	(59,360)	-	-
Total restricted funds	27,244	249,183	(263,773)	-	12,654
Unrestricted funds					
General funds	129,983	195,652	(198,537)	-	127,098
<u>Designated funds:</u>					
Tangible fixed assets	5,159	-	(3,131)	-	2,028
Investments	1	-	-	-	1
Total unrestricted funds	135,143	195,652	(201,668)	-	129,127
TOTAL FUNDS	162,387	444,835	(465,441)	-	141,781

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

14. Reserves (cont)

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. This funding ended in the previous year.

Zero Waste Scotland – Core Service Support – Funding from Zero Waste Scotland to support three recognised workstreams being: the continuance to drive a circular economy in Scotland through supporting local community-based organisations to deliver greater levels of reuse, repair, and recycling; the delivery of a network of sharing libraries and repair cafes in Scotland and; the establishment of a Partnership programme promoting partnership between Local authorities and third sector circular economy organisations. This funding has been used in the year to support the Share & Repair Project as well as the partnership fund and other core costs

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. In the current year this is funded by the new Core Services Support award.

Zero Waste Scotland – Partnership – Funding relates to a contribution from the restricted Core Service Support fund as part of the funds project deliverables. The purpose of this fund is to promote partnership between local authorities and circular economy organisations. In the current year this is funded by the new Core Services Support award.

Zero Waste Scotland and Scottish Government – Carbon Fund – Funding from Zero Waste Scotland to support the production and use of a carbon measurement tool for calculating the positive environmental impact of the reuse, repair and sharing sector in Scotland. The transfer from the fund represents a contribution from the general fund to cover overspend on the restricted Carbon fund.

Zero Waste Scotland – Revolve – Funding from Zero Waste Scotland to support the transition from Revolve Certification by enabling

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.

Purpose of unrestricted funds

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

Esmée Fairbairn Foundation - Fund from Esmée Fairbairn to support our strategic delivery in three key areas including 1) Diversity, equity and inclusion 2) Policy work related to circular economy 3) Capacity building through our member services.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

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 £28,548 (2025: £29,009). The balance outstanding at the year end is £(79) (2025: £2,756). On a group basis the contributions payable to the fund amounted to £32,222 (2025: £33,847). The balance outstanding at the year end for the group is £2,513 (2025: £2,756).

16. Operating lease commitment

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

	2026 Land & Buildings £	2025 Land & buildings £
Within one year	482	1,050
	<u> </u>	<u> </u>

17. Analysis of net assets between funds**Group**

	Unrestricted £	Restricted £	Total £
Fixed assets	507	-	507
Current assets	213,398	44,699	258,097
Current liabilities	(46,999)	-	(46,999)
	<u> </u>	<u> </u>	<u> </u>
Net assets at 31 March 2026	166,906	44,699	211,605
	<u> </u>	<u> </u>	<u> </u>

Comparative - 2025

	Unrestricted £	Restricted £	Total £
Fixed assets	2,028	-	2,028
Current assets	191,403	12,654	204,057
Current liabilities	(53,710)	-	(53,710)
	<u> </u>	<u> </u>	<u> </u>
Net assets at 31 March 2025	139,721	12,654	152,375
	<u> </u>	<u> </u>	<u> </u>

CIRCULAR COMMUNITIES SCOTLAND LTD

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2026

17. Analysis of net assets between funds (cont.)

Charity

	Unrestricted £	Restricted £	Total £
Fixed assets	507	-	507
Investments	1	-	1
Current assets	187,459	44,699	232,158
Current liabilities	(40,406)	-	(40,406)
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2026	147,561	44,699	192,260
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Comparative - 2025

	Unrestricted £	Restricted £	Total £
Fixed assets	2,028	-	2,028
Investments	1	-	1
Current assets	171,644	12,654	184,298
Current liabilities	(44,546)	-	(44,546)
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2025	129,127	12,654	141,781
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