

**REGISTERED COMPANY NUMBER: SC277345 (Scotland)**  
**REGISTERED CHARITY NUMBER: SC029947**

**ARGYLL & BUTE THIRD SECTOR INTERFACE**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

Martin Aitken & Co Ltd  
Statutory Auditor  
Chartered Accountants  
Caledonia House  
89 Seaward Street  
Glasgow  
G41 1HJ

# ARGYLL & BUTE THIRD SECTOR INTERFACE

## CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<b>Page</b>
<b>Report of the Trustees</b>	1 to 5
<b>Report of the Independent Auditors</b>	6 to 8
<b>Statement of Financial Activities</b>	9
<b>Balance Sheet</b>	10
<b>Cash Flow Statement</b>	11
<b>Notes to the Cash Flow Statement</b>	12
<b>Notes to the Financial Statements</b>	13 to 23
<b>Detailed Statement of Financial Activities</b>	24

## **ARGYLL & BUTE THIRD SECTOR INTERFACE**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees are pleased to present their report, together with the financial statements for the year ended 31 March 2021.

The focus of our core activities, and therefore our impact, has been significantly affected this year by realigning our activity towards the response to Covid-19 and latterly to activities related to recovery and renewal. A significant number of third sector organisations successfully transitioned their services to online/telephone support and delivery whilst others such as building based services had to mothball their services. The impact on third sector organisations on their staff, volunteers, activities and their finances is therefore highly varied. However, we have continued to directly support third sector organisations - charities, social enterprises and community groups in new ways including online, via phone and through advocacy. We have also continued to represent Argyll and Bute's third sector at national and local levels, including through the TSI Scotland national network where the 32 TSI's across Scotland join together to influence national policy and practice affecting third sector organisations and interests. We have also been strong advocates for third sector interests with our statutory partners in Argyll and Bute, including through the local Community Planning Partnership (CPP) and Argyll and Bute Health and Social Care Partnership (HSCP).

Our financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 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).

#### **Our Mission**

'To be a self- sustaining social enterprise which is the 'go to' organisation for the third sector, volunteers and community actions; to be influential and engaged across a wide range of strategic partnerships; to act as a knowledge hub and training provider and a key player in leading and developing business development and awareness; an effective contributor to the economic, environmental and social health of Argyll & Bute'.

#### **OBJECTIVES AND ACTIVITIES**

On 1st October 2018, grant conditions changed for TSIs across Scotland, defining 4 distinct areas of delivery:

##### **Knowledge**

To be a central source of knowledge about:

- The Third Sector locally;
- Local and National policy and how it might affect local Third Sector (TS), communities and citizens;
- How Third Sector can contribute to those agendas.

##### **Voice**

Ensuring a strong Third Sector voice at strategic level within local planning structures and nationally.

##### **Capacity**

Developing the capacity of volunteering, community groups, voluntary organisations and social enterprise to achieve positive change.

##### **Connect**

Providing leadership, vision and co-ordination to the local Third Sector to better respond to local priorities (at local authority level), including through partnership and collaboration.

In addition: Work constructively with Scottish Government, local partners and third sector in responding to Covid-19, as required.

## **ARGYLL & BUTE THIRD SECTOR INTERFACE**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

#### **ACHIEVEMENT AND PERFORMANCE**

The key feature of the year from April 2020 to March 2021 has been the TSI's role in the COVID response in Argyll and Bute. The TSI was involved in the response through its membership of the Caring for People Partnership, comprising Argyll and Bute Council, HSCP and TSI.

The TSI delivered two services on behalf of Caring for People. The first was the Volunteerargyllandbute website and associated tasks such as targeted volunteer recruitment through social media, training of volunteer coordinators and issue of volunteer ID badges. This service was fully integrated with the Council's contact centre for the duration of the response. Over 1000 people were recruited in total.

The other service delivered was the Befriending or "keeping-in-touch" service which provided telephone support to those isolated at home, especially those who were shielding.

The high profile of volunteerargyllandbute during the response provided the new site excellent publicity ahead of its planned launch to TSOs. Work is ongoing to encourage greater use of the site as we move beyond emergency planning uses for volunteers.

The befriending service has now been mainstreamed within 1000 Voices where support continues to be offered.

During the lockdown we also launched "Together Argyll and Bute" on facebook. This service continued to offer daily challenges, quizzes etc and was latterly delivered by the 1000 Voices team until the end of the project.

By the end of 2020/21, in line with our commitment to the third sector in 2017 to cease direct service provision to individuals, the TSI was delivering only one remaining project - 1000 Voices - which completed in March 2021. The 1000 Voices project supported older people to become more connected, and was jointly funded by Big Lottery and the Argyll & Bute Health and Social Care Partnership. Final project results have been reported to funders but during 2020-21 for our clients who are online, we established a closed pan-Argyll facebook group, where we brought 276 individuals together to compete in over 430 quizzes, picture puzzles and riddles to keep their brains active. We also had ten themed weeks, focusing on things such as eating well on a budget.

Finally, in early April 2021, we launched the Argyll Community Lottery which will bring much needed additional funds to a wide range of charities and voluntary organisations.

## ARGYLL & BUTE THIRD SECTOR INTERFACE

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

#### FINANCIAL REVIEW

It is confirmed that the TSI's funds remain in good shape. There are no cash flow issues. All expenditure from restricted funds has been used in direct support of the activities stipulated by the nature of the restriction.

The charity currently has total funds of £544,552 (2020: £373,495), of which £Nil (2020: £18,417) are restricted, leaving unrestricted funds of £544,552 (2020: £355,078). The Board of the TSI has taken the decision to designate some of these reserves. £3,510 (2020: £Nil) represents amounts tied up in fixed assets. £175,000 (2020: £Nil) has been designated to allow the Board and CEO flexibility over the next two years to make investments required to support the refreshed TSI strategy by supporting the third sector in developing its service delivery capacity and the sector's ability to bid for contracts and grants where appropriate. £Nil (2020: £40,000) has been designated to support the business plan as the TSI moves away from project delivery and seeks to in future diversify its income from alternative sources.

The Trustees have a target of free reserves of approximately three months' expenditure, which is in line with OSCR guidance on reserves policy. Based on 2020/21 expenditure levels, this would equate to approximately £114,000 in 2021/22.

Reserves are held by the organization for the following purposes:

- To ensure that the charity can continue to provide a stable and high-quality service to those who need it;
- To provide working capital when funding is paid in arrears;
- To meet unexpected costs such as staff cover as a result of illness, maternity leave and paternity leave, and legal costs for defending the charity's interests;
- To replace equipment as it wears out;
- To meet contractual liabilities if the organisation has to close. This includes redundancy pay, amounts due to creditors and commitments under leases.

From time to time funding has certain restrictions, which means that by law it must be held in a restricted reserve until it is spent in line with the funding agreement or contract. Over this last year we have therefore held levels of restricted reserves and it is important to be clear that these funds can only be expended according to the agreement with funders; we do not therefore have access or availability for expenditure of our choosing.

Following designation of funds to support the core programme, as outlined above, Argyll and Bute TSI has reserves of £379,552 (2020: £315,078) available to cover any costs involved in the TSI continuing and completing projects and making statutory redundancy payments to staff should funding be withdrawn.

#### KEY RISKS FACING THE CHARITY

The Trustees consider the following to be the key risks facing the charity, and noted the related mitigating actions taken to address these:

<b>Risk</b>	<b>Mitigation</b>
Level of grant funding from Scottish Government to support core programme is reduced.	Representation of the Argyll and Bute case with, and through, key stakeholders, focusing on challenges of rural and remote rural areas. Demonstrating and evidencing the impact and social value of Argyll and Bute TSI interventions to central and local government and other key stakeholders.
Increasing dependency on an annual core grant.	Growth of "interface" related services in Argyll and Bute. Identify alternative secondary sources of funding.

## **ARGYLL & BUTE THIRD SECTOR INTERFACE**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Argyll & Bute Third Sector Interface is a registered charity and a company limited by guarantee. There are no subsidiary undertakings. The organisation is subject to its governing document; the Articles of Association.

The Key Management personnel of the charity are considered to be the Trustees and the CEO. The level of remuneration of key management personnel is determined by the Board. The charity's Trustees have overall ownership of governance and strategy i.e. the direction of the organisation. Operational management and decision-making are delegated to the Chief Executive Officer. There are regular formal meetings of Trustees as the A&BTSI Board, and also more informal meetings with the Chief Executive and management team.

In March 2021 the Board appointed a new CEO following the departure of the previous CEO who had completed three years and moved on to a new CEO role within the third sector.

The Board is elected at our Annual General Meeting and any appointments between AGMs are made in accordance with our written constitution.

There is an induction process for all Trustees, plus ongoing training. Trustees must commit to acting in the best interests of the organisation, and to declaring any interests/potential conflicts of interest in the relevant register. Trustees are also expected to accept and abide by our Standards of Trustee Conduct.

The TSI has no subsidiary undertakings. However, we work in partnership as opportunities arise and actively support other organisations as part of our remit. We also work closely with our colleagues in the public sector where this benefits our core constituency in Argyll & Bute.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

SC277345 (Scotland)

##### **Registered Charity number**

SC029947

##### **Registered office**

27a Front Street  
Inveraray  
Argyll  
PA32 8UY

##### **Trustees**

L M Ahlquist  
P J A McDill  
J M Moffat (resigned 25/1/2021)  
J F Stevens  
N A Porciani (appointed 22/9/2020)  
J W Sharp (appointed 22/9/2020)

##### **Company Secretary**

P J A McDill

##### **Auditors**

Martin Aitken & Co Ltd  
Statutory Auditor  
Chartered Accountants  
Caledonia House  
89 Seaward Street  
Glasgow  
G41 1HJ

**ARGYLL & BUTE THIRD SECTOR INTERFACE**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Advisers**

Unity Trust Bank  
Nine Brindley Place  
Birmingham  
B1 2HB

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Argyll & Bute Third Sector Interface for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial 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, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Martin Aitken & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on ..... and signed on its behalf by:

  
.....  
P J A McDill - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF ARGYLL & BUTE THIRD SECTOR INTERFACE**

### **Opinion**

We have audited the financial statements of Argyll & Bute Third Sector Interface (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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 charitable company 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 the provisions available for small entities, in the circumstances set out in note 18 to the financial statements, and we have fulfilled our other 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' 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 charitable 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 other 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF ARGYLL & BUTE THIRD SECTOR INTERFACE**

### **Matters on which we are required to report by exception**

In the 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006, the 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 and returns; 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 to take advantage of the small companies exemption in preparing the Directors' Report included within the Report of the Trustees and from the requirement to prepare a Strategic Report.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF ARGYLL & BUTE THIRD SECTOR INTERFACE**

### **Auditors' responsibilities for the audit of the financial statements - continued**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark McRae CA (Senior Statutory Auditor)  
for and on behalf of Martin Aitken & Co Ltd  
Statutory Auditor  
Chartered Accountants  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Caledonia House  
89 Seaward Street  
Glasgow  
G41 1HJ

Date: .....

**ARGYLL & BUTE THIRD SECTOR INTERFACE**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME FROM</b>					
Donations and legacies	2	472	-	472	1,000
<b>Charitable activities</b>					
Charitable projects	3	419,869	207,830	627,699	520,807
<b>Total</b>		<u>420,341</u>	<u>207,830</u>	<u>628,171</u>	<u>521,807</u>
<b>EXPENDITURE ON</b>					
Raising funds	4	780	-	780	889
<b>Direct charitable costs</b>					
Charitable projects	5	230,087	226,247	456,334	468,487
<b>Total</b>		<u>230,867</u>	<u>226,247</u>	<u>457,114</u>	<u>469,376</u>
<b>NET INCOME/(EXPENDITURE)</b>		<u>189,474</u>	<u>(18,417)</u>	<u>171,057</u>	<u>52,431</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>355,078</u>	<u>18,417</u>	<u>373,495</u>	<u>321,064</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>544,552</u></u>	<u><u>-</u></u>	<u><u>544,552</u></u>	<u><u>373,495</u></u>

The notes form part of these financial statements

**ARGYLL & BUTE THIRD SECTOR INTERFACE**

**BALANCE SHEET  
31 MARCH 2021**

	<b>Notes</b>	<b>2021 £</b>	<b>2020 £</b>
<b>FIXED ASSETS</b>			
Tangible assets	11	<b>3,510</b>	-
<b>CURRENT ASSETS</b>			
Debtors	12	<b>2,263</b>	26,750
Cash at bank		<b>617,056</b>	371,707
		<b>619,319</b>	398,457
<b>CREDITORS</b>			
Amounts falling due within one year	13	<b>(78,277)</b>	(24,962)
<b>NET CURRENT ASSETS</b>		<b>541,042</b>	373,495
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>544,552</b>	373,495
<b>NET ASSETS</b>		<b>544,552</b>	373,495
<b>FUNDS</b>			
	16		
Unrestricted funds		<b>544,552</b>	355,078
Restricted funds		-	18,417
<b>TOTAL FUNDS</b>		<b>544,552</b>	373,495

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....  
P J A McDill - Trustee

**ARGYLL & BUTE THIRD SECTOR INTERFACE****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Notes</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>250,029</u>	<u>26,312</u>
Net cash provided by operating activities		<u>250,029</u>	<u>26,312</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(4,680)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(4,680)</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>245,349</u>	<u>26,312</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>371,707</u>	<u>345,395</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>617,056</u></u>	<u><u>371,707</u></u>

The notes form part of these financial statements

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2021	2020
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>171,057</b>	52,431
<b>Adjustments for:</b>		
Depreciation charges	1,170	-
Decrease/(increase) in debtors	24,487	(23,822)
Increase/(decrease) in creditors	53,315	(2,297)
<b>Net cash provided by operations</b>	<b>250,029</b>	26,312

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20	Cash flow	At 31/3/21
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	371,707	245,349	617,056
	<u>371,707</u>	<u>245,349</u>	<u>617,056</u>
<b>Total</b>	<b>371,707</b>	<b>245,349</b>	<b>617,056</b>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities and Trustee Investment (Scotland) Act 2005.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in Sterling (£).

**Going concern**

Due to the ongoing Coronavirus pandemic, the Trustees and Key Management Personnel have assessed the potential future of Argyll & Bute Third Sector Interface and whether it can continue as a going concern.

After assessing all potential impacts and future commitments, the Trustees have a reasonable expectation that the charity has adequate resources and reserves to continue in operational existence for the foreseeable future. Funding has also been secured from the main funder, Scottish Government on an indicative basis until March 2023. The charity therefore continues to adopt the going concern basis in preparing its financial statements despite the uncertainty caused by the ongoing pandemic.

**Legal status of the charity**

The Charity is a company limited by guarantee, registered in Scotland. The members of the company are the Trustees named on page 4. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

**Provisions**

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

**Judgements**

The charity considers on an annual basis the judgements that are made by Trustees when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements. The Trustees consider there are no such significant judgements that require to be individually disclosed.

**Information and key sources of estimation uncertainty**

In the application of the charity's accounting policies, management are required to make estimates and assumptions about the carrying amounts 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. The Trustees consider there are no such significant estimates that require to be individually disclosed.

**Income**

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 - continued  
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

**Income**

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 is deferred until the criteria for income recognition are met.

**Expenditure**

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

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Raising funds**

Costs of raising funds comprise the costs of attracting voluntary income and its associated support costs.

**Charitable activities**

Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities, services for its beneficiaries and other activities undertaken to further the purposes of the charity and their associated costs.

**Allocation and apportionment of costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the time spent on each activity. The allocation of support and governance costs is analysed in Note 7.

**Tangible fixed assets**

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

Computer equipment - 25% on cost

All assets costing more than £2,000 are capitalised.

Tangible fixed assets are included at cost less accumulated depreciation and accumulated impairment losses.

**Impairment of non-financial assets**

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount which is the higher of the value in use and the fair value less cost to sell, is estimated and compared with the carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES - continued**

**Taxation**

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 or Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1991 to the extent that some income or gains are applied for charitable purposes only.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

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

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

**Cash and cash equivalents**

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

**Financial instruments**

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments like other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and trade creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment and if found, an impairment loss is recognised in profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities as they are incurred over the term of the lease.

**Pensions**

The charitable company operates a defined contribution scheme for the benefit of its employees. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Employee benefits**

The cost of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of unused holiday entitlement is recognised in the period which the employee's service is received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## ARGYLL & BUTE THIRD SECTOR INTERFACE

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

#### 2. DONATIONS AND LEGACIES

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Donations	<u>472</u>	<u>1,000</u>

#### 3. INCOME FROM CHARITABLE ACTIVITIES

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Support and advice to third sector and volunteers		
Charitable projects	<b>390,510</b>	313,600
Charitable projects	<b>209,270</b>	207,207
Other income	<b>27,919</b>	-
	<u><b>627,699</b></u>	<u>520,807</u>

#### Scottish Government core grant to Third Sector Interfaces

The total amount received for 2020/21 was £313,600 (2019/20: £313,600). The main objectives / expected outcomes of the grant are detailed in the Third Sector Interface Outcome Framework September 2018.

#### NHS (now Health and Social Care Partnership)

The charity received funding for 2020/21 of £105,000 (2019/20: £105,000). The outcomes to be achieved are:

1. People have opportunities to volunteer and are supported to do so.
2. Volunteer involving organisations are better able to recruit, manage and support volunteers.
3. Social enterprise is supported to develop and grow.
4. Third sector organisations are well managed and deliver quality services.

#### Big Lottery

The total grant for 2020/21 was £102,830 (2019/20: £101,509). Argyll & Bute Third Sector Interface's '1000 Voices' project aims to support older people (aged 65 or over) in Argyll & Bute. It will do this through the provision of a range of support including volunteer support; local activities and opportunities for social interaction; practical support at home; community transport; and supported opportunities to be involved in the planning of services.

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

4. RAISING FUNDS

Raising donations and legacies

	2021 £	2020 £
Raising funds	780	889

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable projects	371,183	85,151	456,334

6. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Charitable projects	74,076	11,075	85,151

Support costs, included in the above, are as follows:

**Other**

	2021 Charitable projects £	2020 Total activities £
Staff Costs	35,499	40,178
Property Costs	6,544	17,200
Other Overheads	32,033	28,554
	<u>74,076</u>	<u>85,932</u>

**Governance costs**

	2021 Charitable projects £	2020 Total activities £
Staff Costs	1,495	1,629
Auditors' remuneration	6,155	6,832
Auditors' remuneration for non audit work	1,800	1,800
Property Costs	276	724
Other Overheads	1,349	1,202
Legal fees	-	703
	<u>11,075</u>	<u>12,890</u>

## ARGYLL & BUTE THIRD SECTOR INTERFACE

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

#### 7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	<b>6,155</b>	6,832
Auditors' remuneration for non audit work	<b>1,800</b>	1,800
Depreciation - owned assets	<b>1,170</b>	-
Other fees - management accounts	<b>8,030</b>	9,195
	<u><b>27,155</b></u>	<u>18,627</u>

#### 8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

##### Trustees' expenses

No Trustees were reimbursed travel expenses for the year ended 31 March 2021 (2019/20: £82 to one trustee).

During the year Trustees waived expenses of £Nil (2019/20: £1,033)

#### 9. STAFF COSTS

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>274,720</b>	316,281
Social security costs	<b>19,464</b>	21,275
Pension costs	<b>4,549</b>	4,545
	<u><b>298,733</b></u>	<u>342,101</u>

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

	<b>2021</b>	<b>2020</b>
Employees	<u><b>11</b></u>	<u>13</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2021</b>	<b>2020</b>
£60,001 - £70,000	<u><b>1</b></u>	<u>1</u>

Remuneration paid to key management personnel in the year 2020/21 has amounted to £138,028 (2019/20: £133,334).

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME FROM</b>			
Donations and legacies	1,000	-	1,000
<b>Charitable activities</b>			
Charitable projects	314,298	206,509	520,807
<b>Total</b>	<u>315,298</u>	<u>206,509</u>	<u>521,807</u>
<b>EXPENDITURE ON</b>			
Raising funds	889	-	889
<b>Direct charitable costs</b>			
Charitable projects	251,102	217,385	468,487
<b>Total</b>	<u>251,991</u>	<u>217,385</u>	<u>469,376</u>
<b>NET INCOME/(EXPENDITURE)</b>	63,307	(10,876)	52,431
<b>Transfers between funds</b>	(11,164)	11,164	-
<b>Net movement in funds</b>	<u>52,143</u>	<u>288</u>	<u>52,431</u>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	302,935	18,129	321,064
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>355,078</u></u>	<u><u>18,417</u></u>	<u><u>373,495</u></u>

11. TANGIBLE FIXED ASSETS

	Computer equipment £
<b>COST</b>	
Additions	<u>4,680</u>
<b>DEPRECIATION</b>	
Charge for year	<u>1,170</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u><u>3,510</u></u>
At 31 March 2020	<u><u>-</u></u>

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Prepayments and accrued income	2,263	26,750

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	8,333	2,366
Social security and other taxes	8,796	5,933
Other creditors	47,724	-
Accruals and deferred income	13,424	16,663
	<u>78,277</u>	<u>24,962</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	9,443	11,151
Between one and five years	6,300	17,743
	<u>15,743</u>	<u>28,894</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Fixed assets	3,510	-	3,510	-
Current assets	571,595	47,724	619,319	398,457
Current liabilities	(30,553)	(47,724)	(78,277)	(24,962)
	<u>544,552</u>	<u>-</u>	<u>544,552</u>	<u>373,495</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

16. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
<b>Unrestricted funds</b>				
General fund	315,078	190,644	(139,680)	366,042
Fixed Assets	-	(1,170)	4,680	3,510
Business Plan	40,000	-	(40,000)	-
TSI Strategy	-	-	175,000	175,000
	<u>355,078</u>	<u>189,474</u>	<u>-</u>	<u>544,552</u>
<b>Restricted funds</b>				
1000 Voices	18,417	(18,417)	-	-
	<u>373,495</u>	<u>171,057</u>	<u>-</u>	<u>544,552</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	420,341	(229,697)	190,644
Fixed Assets	-	(1,170)	(1,170)
	<u>420,341</u>	<u>(230,867)</u>	<u>189,474</u>
<b>Restricted funds</b>			
1000 Voices	207,830	(226,247)	(18,417)
	<u>628,171</u>	<u>(457,114)</u>	<u>171,057</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

## 16. MOVEMENT IN FUNDS - continued

## Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
<b>Unrestricted funds</b>				
General fund	112,935	63,307	138,836	315,078
Business Plan	40,000	-	-	40,000
TSI Strategy	150,000	-	(150,000)	-
	<u>302,935</u>	<u>63,307</u>	<u>(11,164)</u>	<u>355,078</u>
<b>Restricted funds</b>				
SDS Choices	1,676	(1,676)	-	-
1000 Voices	15,392	3,025	-	18,417
Gerriactivity	892	(892)	-	-
ADP Papa	-	(11,164)	11,164	-
Rosneath Peninsula	169	(169)	-	-
	<u>18,129</u>	<u>(10,876)</u>	<u>11,164</u>	<u>18,417</u>
<b>TOTAL FUNDS</b>	<u>321,064</u>	<u>52,431</u>	<u>-</u>	<u>373,495</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	315,298	(251,991)	63,307
<b>Restricted funds</b>			
SDS Choices	-	(1,676)	(1,676)
1000 Voices	206,509	(203,484)	3,025
Gerriactivity	-	(892)	(892)
ADP Papa	-	(11,164)	(11,164)
Rosneath Peninsula	-	(169)	(169)
	<u>206,509</u>	<u>(217,385)</u>	<u>(10,876)</u>
<b>TOTAL FUNDS</b>	<u>521,807</u>	<u>(469,376)</u>	<u>52,431</u>

**The nature and purpose of the various unrestricted funds are as follows:**

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

The trustees have designated funds as follows:

The **Fixed Assets** fund represents the amount tied up in the assets.

The **TSI strategy** funds represents an amount to invest in the further development and implementation of the TSI's strategy which is to further invest in the training, capacity and voice of the third sector. This will include a new database, website and more staff to better support charities and community groups as they seek to develop, rebuild, adjust and recover following the ongoing Covid-19 pandemic.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**16. MOVEMENT IN FUNDS - continued**

**The nature and purpose of the various restricted funds are as follows:**

**1000 Voices** - To provide a range of support, linked to community networks, including: volunteer support to remote and rural communities, local activities and opportunities for social interaction, practical support at home, community transport to connect people and communities to social activities and services supported opportunities to be involved in the planning of services. It should be noted that 1000 Voices as a project ended on 31st March 2021 following successful completion of five years delivery.

**17. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2020 other than the trustees' expenses reimbursed, detailed at note 8.

**18. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**ARGYLL & BUTE THIRD SECTOR INTERFACE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>INCOME</b>		
<b>Donations and legacies</b>		
Donations	472	1,000
<b>Charitable activities</b>		
Support and advice to third sector and volunteers	390,510	313,600
Charitable projects	209,270	207,207
Other income	27,919	-
	<u>627,699</u>	<u>520,807</u>
<b>Total incoming resources</b>	<b>628,171</b>	<b>521,807</b>
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Raising funds	780	889
<b>Direct charitable costs</b>		
Staff Costs	263,323	324,740
Property Costs	-	3,500
Direct Expenses	60,136	41,425
Project costs	47,724	-
	<u>371,183</u>	<u>369,665</u>
<b>Support costs</b>		
<b>Other</b>		
Staff Costs	35,499	40,178
Property Costs	6,544	17,200
Other Overheads	32,033	28,554
	<u>74,076</u>	<u>85,932</u>
<b>Governance costs</b>		
Staff Costs	1,495	1,629
Auditors' remuneration	6,155	6,832
Auditors' remuneration for non audit work	1,800	1,800
Property Costs	276	724
Other Overheads	1,349	1,202
Legal fees	-	703
	<u>11,075</u>	<u>12,890</u>
<b>Total resources expended</b>	<b>457,114</b>	<b>469,376</b>
<b>Net income</b>	<b>171,057</b>	<b>52,431</b>

This page does not form part of the statutory financial statements