

**INSPIRALBA LTD
(A COMPANY LIMITED BY GUARANTEE)**

REGISTERED NUMBER: SC360204

SCOTTISH CHARITY NUMBER: SC040666

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

INSPIRALBA LTD

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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INSPIRALBA LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their annual report with the financial statements of the charitable company for the year ended 31 August 2020.

Objectives and Activities

The charitable company was incorporated on 26 May 2009.

Inspiralba Ltd ('Inspiralba') provides: development, management, networking and training to support rural social enterprises to deliver community benefit. Areas of work include business support, development and management support, the design and delivery of learning / training resources, delivery of employment training opportunities as well as support for networking/knowledge exchange, awareness raising and promotion of rural social enterprise.

All surpluses are reinvested in our charitable objectives, through grant and in-kind support for social enterprises and community organisations. The company is limited by guarantee and does not have share capital. It is a registered Scottish Charity.

Objects of the charitable company

Inspiralba was established to assist community based organisations to turn their ideas and aspirations into robust, sustainable business activities and to support rural regeneration in Argyll and Bute through social enterprise and employability activities.

Our charitable objectives are:

- To advance community development and to promote the effectiveness and/or efficiency of charities and, in particular, Social Enterprises in Argyll & Bute;
- To advance environmental protection or improvement, through: discouraging the unnecessary depletion of natural resources through waste management and recycling and through promoting education in the fields of sustainability;
- To advance education and training with a specific focus on social enterprise or employability and to relieve unemployment; and
- To increase the understanding of rural regeneration.

Achievements and Performance

Over the last year Inspiralba has worked with 41 community based enterprises across Argyll and the Islands, delivering business support, project management and training activity. This has assisted organisations in their provision of essential services and facilities for our island and mainland rural communities, including development trusts, housing associations, environmental enterprises, arts, heritage, sports and education providers.

Our advocacy and support work for rural social enterprise has gained traction and we have been able to develop the Rural Social Enterprise Hub as a resource to support, connect and promote rural social enterprise from across Scotland and Internationally.

The impact of Covid-19 has seen social enterprises play an important role in resilience activities across our rural communities, as well as bringing significant financial and social challenges. Within this challenging context we have been able to contribute to local resilience activities and move much of our support activity online to assist social enterprises build resilience and meet needs.

Just Enterprise

Inspiralba is a partner in the Just Enterprise consortium, delivering support to sustain, develop and grow social enterprises and enterprising charities on behalf of Scottish Government. Through this work we have provided one to one Business Support to 16 organisations across Argyll and Bute, which includes reviewing existing operations, developing business plans, identifying opportunities for growth, scoping new areas of work as well as developing financial/investment plans and strategies. With the impact of Covid-19 grant support was also secured to assist with resilience in light of the challenges organisations faced. A further 12 organisations were supported through this work, with resilience and recovery planning as well as assistance to secure funding for ongoing sustainability. An element of the Just Enterprise programme also includes provision of training, with workshops in Business Planning, Financial Management and Charitable Trading being delivered across Argyll for 9 organisations and subsequently moving online to deliver Social Investment workshop for a further 9 organisations from across Scotland.

Fyne Homes Community Regeneration

Inspiralba have delivered community regeneration activity in partnership with Fyne Homes for many years now and have been able to extend this work securing investment from Scottish Government Investing in Communities fund in October 2018. This supports a programme of employability and learning opportunities, working with social enterprises across the area. Initial outreach work with young people was delivered in November 2018 with 120 young people taking part in workshops to learn about social enterprise and the power of youth. The employability element of the programme has also been established 18 unemployed people receiving support with waged employment and training working with 6 social enterprises. The impact of Covid-19 required us to refocus the project, dedicating resource to developing information and support for digital literacy as well as providing additional employability placements with social enterprises delivering essential services, such as shopping for older people.

Fyne Energy Limited

Inspiralba have been provided community engagement support to Fyne Energy Limited on their three turbine wind development in Glenbarr, which is forecasted to generate approximately £15.6 million for community benefit over the life of the project. This has included support to Glenbarr Community Development Association as the local beneficiary organisation. The Community Investment Plan for Glenbarr was launched in September 2018 and ongoing support has been provided to the group to progress priorities identified. Inspiralba provides support for Development Association meetings as well as assisting with governance and coordination of activities. The impact of Covid-19 has meant the group has only met virtually since March.

ViSEnet

Inspiralba have been working with partners in Finland, Estonia, Romania and Germany, on an Erasmus project to create learning materials and networking opportunities for rural social enterprise. The ViSEnet (Village Social Enterprise Network) materials support community led approaches to social enterprise and take in to account the particular challenges in a rural context. Over the past year we have completed the production of learning resources on; community involvement, networks and partnerships, social enterprise solutions and social impact. These resources have been developed to include tools, resources, guidance and networking activity, bringing together examples of good practice in relation to rural social enterprise with case studies from across the partner countries. In July we secured support to host the learning resources on our RuralSEHub.net website and continue with the piloting phase, with positive feedback from a range of partners

Other International Work

Inspiralba provided input to the Social Enterprise World Forum (SEWF) in Addis Ababa, as part of a Scottish delegation and delivered a workshop on 'Building Resilient Communities'. We had planned to host a visit to our Learning Exchange in Oban in March, however Covid-19 restrictions meant that our partner from Jeddco in Ethiopia was unable to travel. We hope to be able to progress this once restrictions lift and have continued to engage with SEWF with a focus on the rural context.

Rural Social Enterprise

Recognising the opportunity to learn from the rural experience, the Scottish Government provided a resource to Inspiralba to establish the Rural Social Enterprise Hub in summer 2019. Over the past year we have worked with a range of partners to develop this work and extended the reach across rural Scotland and beyond. This has enabled us to facilitate networking, peer to peer learning and research activity as well as raising the profile of rural social enterprise stakeholders nationally and in the international context. Over the past year we have developed the rural network and delivered 27 events, including learning exchanges, workshops and peer to peer network sessions, with 483 people engaging through these events. We also launched the www.ruralSEhub.net website, with engagement from across Scotland and as far away as Australia.

We have secured support from Scottish Graduate School for Social Sciences (Innovation Internship), for a PhD student to assist with research on rural social enterprise. This will assist to bring the learning to inform the wider policy agenda and support mechanisms for rural social enterprise. Connections and infrastructure are now in place and there is a willingness and appetite for further engagement providing the opportunity to build on this work.

Involving Young People in Social Enterprise

Inspiralba continue to engage with a range of partners to promote and support opportunities for young people in social enterprise. Over the past year we have contributed to the DYW Regional Group and provided input to the Skills element of the Rural Growth Deal for Argyll and Bute. We have also engaged with schools and Community Learning partners to develop plans for ongoing work.

Community Resilience Activity

Inspiralba were able to work with a range of partners in Kintyre on local resilience activities in response to lockdown due to Covid-19. We provided support for weekly online South Kintyre Community Resilience Group meetings and were able to support a number of local initiatives, including fundraising to support activities such as providing masks and hand sanitiser and learning resources for children. As part of this work we identified the need for digital tools and resources (such as laptops, tablets and mobile phones) to address isolation and enable people to engage with learning and support online. We initially gathered donations of digital tools locally, then extended the project across Argyll and Bute with support from Community Learning. Additional resource to purchase refurbished laptops was secured from the Wellbeing Fund and this along with donated items assisted us to distribute 240 digital tools to households across the area to address digital exclusion.

Principal funding sources

Inspiralba generated trading income from Just Enterprise business support services, which is delivered as a consortium partner on behalf of the Scottish Government with CEIS as lead partner. Project management and coordination support generates income from Fyne Homes Limited for the development and delivery of regeneration activities for their Investing in Communities work. Trading income was also generated for support to Kintyre Recycling to support development of Furniture Reuse. Support to Fyne Energy Limited for community engagement and community investment planning work also generated trading income. Trading income was also generated via work for Unltd and Social Enterprise Academy.

Fyne Homes Investing in Communities also provides employment training income towards wage costs for employed trainees hosted by Inspiralba. We also receive funding for development of learning resources for rural social enterprise from University of Helsinki as lead partner for Erasmus.

The Scottish Government has provided funding towards the costs of the Rural Social Enterprise Hub. Grant income was secured to support community resilience activity including Wellbeing Funding from Corra Foundation to purchase and redistribution of digital tools to households across Argyll. Small grants from MACC and Tesco provided arts materials for young people learning at home. In addition we have secured various small grants including from Argyll and Bute Council, Scottish Community Alliance.

Inspiralba was able to generate income from donations to support Kintyre Community Resilience activities.

Financial review

The charitable company generated a surplus of £11,375 in the year compared to a surplus of £4,668 in 2018/19

Plans for future periods

We anticipate an increased level of income and expenditure in the forthcoming year with increased income from activity to support employability opportunities for young people in social enterprise as well as increased general trading activity and reduced income from grants, the employability activity will also see an increase in related expenditure. The grant activity over the past year increased due to specific activities relating to Covid-19 which is not expected to be ongoing. Just Enterprise, Rural Hub and ViSENet activities will all continue over the next year which will bring income and associated expenditure. We also anticipate income generation for support to Youth Forum activities, with associated expenditure for staff costs to support this work. The board are content that there are adequate projections and reserves to support ongoing activity.

Structure, governance and management

The charitable company has a Board of non-executive directors. The directors of the charitable company in office during the year and up to the signing of the financial statements were as follows:

W.C.F. Renfrew
A. Thorburn (previously Card)
T. Chambers
M. Eyre
D. Forsyth (appointed 24 February 2020)
S. MacDonald (appointed 24 February 2020)
T. McKay (resigned 24 February 2020)

The charitable company is governed by its Memorandum and Articles of Association. Day to day management is performed by A Clark under delegated authority from the Board. Quarterly board meetings take place where A Clark provides an update on the activities and achievements of the charitable company, and brings relevant matters to the Board's attention and for approval.

Director appointment, induction and training

Directors are appointed in accordance with the Memorandum and Articles of Association. On appointment directors are given an induction session by various members of the Board and senior management. Director training is ongoing.

Risk Management

The Board continue to keep the charitable company's activities under review, particularly with regard to any major risks that may arise from time to time. The major risks identified by this process have been mitigated to an acceptable level by internal control systems, insurance cover and other factors as appropriate.

Reserves

Unrestricted funds represent the free resources of the charitable company. The unrestricted funds are held to receive income of the charitable company availed for use by the Board as they decide, in pursuance of the stated aims of the charitable company, and to enable settlement of costs incurred in pursuance of these aims. Reserves are also in place to cover operational costs in the pursuance of new areas of work if current income streams reduce. Restricted funds can only be used for the purposes outlined in the specific funding agreement.

INSPIRALBA LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

Reference and administrative details

Secretary:

A. Clark

Registered Office:

3 Harvey's Lane
Burnside Street
Campbeltown
Scotland
PA28 6GE

Registered Number:

SC360204

Scottish Charity Number:

SC040666

Solicitors:

T C Young
7 West George Street
Glasgow
G2 1BA

Auditor:

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Principal Banker:

Bank of Scotland
9 Longrow South
Campbeltown
Argyll
PA28 6AL

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the directors to prepare financial statements for each financial year. The directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Statement 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). Under company and charity law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the results of the charitable company for that year.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

Statement as to disclosure of information to the auditor

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- so far as each director is aware, there is no relevant information of which the auditor is unaware; and
- he/she has taken all the steps that he/she ought to have been taken as a director in order to make himself/herself aware of any relevant audit information, and to establish that the auditor is aware of the information.

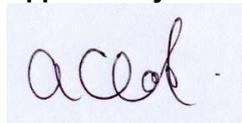
Auditor

On 7 September 2020, Group Audit Services Limited trading as Scott Moncrieff Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

Small companies' exemptions

This report has been prepared in accordance with the special provisions for small companies under Section 419(2) of the Companies Act 2006.

Approved by the board of directors and signed on its behalf by:



A Clark
Secretary

Dated: 11 February 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF INSPIRALBA LTD
FOR THE YEAR ENDED 31 AUGUST 2020**

Opinion

We have audited the financial statements of Inspiralba Ltd (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, and the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 auditor's 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 United Kingdom, including the Financial Reporting Council'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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF INSPIRALBA LTD
FOR THE YEAR ENDED 31 AUGUST 2020**

Other information (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 Directors' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of the directors

As explained more fully in the statement of directors' responsibilities set out on page 6, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF INSPIRALBA LTD
FOR THE YEAR ENDED 31 AUGUST 2020**

Responsibilities of the directors (continued)

In preparing the financial statements, the directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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.

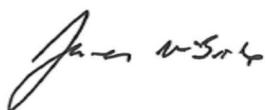
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

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 directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's directors, as a body, 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 charitable company, the charitable company's members, as a body, and the charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.



James McBride, Senior Statutory Auditor

For and on behalf of

Azets Audit Services, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Date: 11 February 2021

INSPIRALBA LTD

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income					
Donations and grants	4a	79,256	18,080	97,336	13,862
Charitable activities	4b	85,463	-	85,463	109,211
Total		164,719	18,080	182,799	123,073
Expenditure on:					
Charitable activities	4c	(153,344)	(18,080)	(171,424)	(118,405)
Net movement in funds	5	11,375	-	11,375	4,668
Total funds brought forward		88,606	-	88,606	83,938
Total funds carried forward		99,981	-	99,981	88,606

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

INSPIRALBA LTD**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Notes	2020 £	2019 £
Tangible fixed assets			
Fixtures and fittings	8	937	1,076
Current assets			
Debtors	9	9,668	19,405
Cash at bank and in hand		170,805	98,451
		<u>180,473</u>	<u>117,856</u>
Creditors: amounts falling due within one year	10	<u>(81,429)</u>	<u>(30,326)</u>
Net current assets		99,044	87,530
Net assets		<u>99,981</u>	<u>88,606</u>
The funds of the charity:			
General unrestricted	11, 12	<u>99,981</u>	<u>88,606</u>
Total charity funds		<u>99,981</u>	<u>88,606</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 February 2021 by:

The notes form part of these financial statements



W.C.F. Renfrew
Director

Registered Number: SC360204

Scottish Charity Number: SC040666

1. General information

Inspiralba Ltd ('Inspiralba') is a social enterprise which provides: development, management, funding and training support for the community sector. Inspiralba was set up to work with a range of community based organisations requiring support to enable projects to be developed and delivered effectively; this comprises a range of activities including: Social Enterprise Support (which includes Business and Growth Planning, Financial Planning and Management and Marketing Plans), securing and managing project funding, the design and delivery of training resources and providing employment training programmes.

All surpluses are reinvested in community projects and through in kind support for social enterprises and community organisations.

The charitable company was incorporated in Scotland and has its registered office at:

3 Harvey's Lane
Burnside Street
Campbeltown
Scotland
PA28 6GE

The charitable company is defined as a public benefit entity and this complies with all disclosure requirements relating to public benefit entities. The registered charity number is SC040666 and it is registered with the Office of the Scottish Charity Regulator (OSCR).

The financial statements are prepared in Pounds Sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. These financial statements represent the results of the charitable company only.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2. Accounting policies (continued)

Going concern

The directors anticipated that deficits would be made in the years ended 31 August 2021 and 31 August 2022 due to Covid, however surpluses are now anticipated and the charitable company has a net asset position with a healthy bank balance and a letter of support has been provided by Fyne Homes covering the 12 months from the signing of these financial statements. Thus the directors have prepared the financial statements on a going concern basis.

Tangible Fixed Assets

Tangible fixed assets are included at historical cost. Fixtures and Fittings are depreciated by 33% per annum under the straight line method.

Income recognition

All incoming resources are included in the Statement of Financial Activities when the charitable company is entitled to the income, receipt is probable and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when the charitable company become unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charitable company where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Consultancy and training income is recognised as the service is performed.

Expenditure recognition

Resources expended are recognised on an accruals basis. Where possible, expenditure is allocated directly to the function to which it relates. Where this is not possible, it is allocated on the basis of time spent by staff on that activity.

- Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its charitable activities and services.
- Support costs include administration, rental and insurance costs as well as legal and professional fees including the auditor's fee.

Statement of Cash Flows

The financial statements do not include a Statement of Cash Flows because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Charity FRS 102 SORP.

Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charitable company.

Restricted funds can only be used for the purposes outlined in the specific funding agreement.

2. Accounting policies (continued)

Debtors

Short term debtors are measured at the transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at the transaction value, net of transaction costs and are measured subsequently at amortised cost using the effective interest rate method.

Financial instruments

The charitable company 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 (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable or receivable within one year, typically trade payable or receivables, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of its recoverable amount, which is an approximation of the amount that the charitable company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Board is satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied in determining the depreciation rates which have been based on the expected useful lives of the fixed assets.

INSPIRALBA LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4a. Donations and grants	Unrestricted Funds £	Restricted Funds £	Total 2020 £	<i>Unrestricted Funds</i> £	<i>Restricted Funds</i> £	<i>Total 2019</i> £
Scottish Government	27,536	-	27,536	2,800	-	2,800
ABC grants	16,000	-	16,000	-	-	-
Erasmus grant	4,099	-	4,099	7,822	-	7,822
Corra Foundation	-	18,080	18,080	-	-	-
Other grants	16,420	-	16,420	3,240	-	3,240
Donations	15,201	-	15,201	-	-	-
	<u>79,256</u>	<u>18,080</u>	<u>97,336</u>	<u>13,862</u>	<u>-</u>	<u>13,862</u>
4b. Charitable activities: income	Unrestricted Funds £	Restricted Funds £	Total 2020 £	<i>Unrestricted Funds</i> £	<i>Restricted Funds</i> £	<i>Total 2019</i> £
Consultancy income	65,659	-	65,659	74,519	-	74,519
Training and Employability income	19,419	-	19,419	33,447	-	33,447
Other income	385	-	385	1,245	-	1,245
	<u>85,463</u>	<u>-</u>	<u>85,463</u>	<u>109,211</u>	<u>-</u>	<u>109,211</u>
4c. Charitable activities: expenditure	Unrestricted Funds £	Restricted Funds £	Total 2020 £	<i>Unrestricted Funds</i> £	<i>Restricted Funds</i> £	<i>Total 2019</i> £
Project costs funded by grants and donations	35,449	18,080	53,529	9,822	-	9,822
Consultancy costs	39,013	-	39,013	49,287	-	49,287
Training costs	372	-	372	21,244	-	21,244
Funded wages – training and employability income and other grants	35,813	-	35,813	20,646	-	20,646
Grants/in kind made	16,455	-	16,455	3,100	-	3,100
Support costs	26,242	-	26,242	14,306	-	14,306
	<u>153,344</u>	<u>18,080</u>	<u>171,424</u>	<u>118,405</u>	<u>-</u>	<u>118,405</u>

INSPIRALBA LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4d. Support costs	2020	2019
	£	£
Telephone and IT	995	987
General administration including travel expenses	14,246	1,388
Insurance	522	546
Affiliation fees	-	450
Training	-	87
Depreciation	469	538
Office premises rental	8,000	8,000
Audit fee	2,010	2,310
	<u>26,242</u>	<u>14,306</u>

Support costs have been apportioned in line with the level of direct expenditure incurred by each activity.

No trustee expenses were incurred in the year (2019 - £nil).

	2020	2019
	£	£
Project costs funded by grants and donations 40%	10,497	4,292
Consultancy costs 38%	9,972	6,437
Training costs 10%	2,624	1,431
Funded wages 10%	2,624	1,431
Grants made 2%	525	715
	<u>26,242</u>	<u>14,306</u>

5. Net movement in funds

Net movement in funds are stated after charging:

Auditor's remuneration – audit fee excluding VAT

2020	2019
£	£
1,675	1,625
<u>1,675</u>	<u>1,625</u>

This is the actual fee for the audit of the respective financial years excluding VAT. It varies from note 4d as that includes irrecoverable VAT.

Depreciation	<u>469</u>	<u>538</u>
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6. Staff costs

	2020	2019
	£	£
Wages and salaries	103,734	67,313
Social security costs	6,873	4,763
Pension costs	3,232	2,842
	<u>113,839</u>	<u>74,918</u>

No employees' emoluments exceeded £60,000 in the year (2019 - £nil).

The emoluments paid to key management were £44,911(2019 - £46,051).

	2020	2019
	Number	Number
Full Time Equivalent of persons employed during the year	<u>5</u>	<u>4</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Directors' emoluments

There were no directors' emoluments (2019 - £nil).

8. Tangible fixed assets	Fixtures and Fittings	
	£	
Cost:		
As at 1 September 2019		4,679
Additions in year		330
		<hr/>
As at 31 August 2020		5,009
		<hr/> <hr/>
Depreciation:		
As at 1 September 2019		3,603
Charge for the year		469
		<hr/>
As at 31 August 2020		4,072
		<hr/> <hr/>
Net Book Value:		
As at 31 August 2020		937
		<hr/> <hr/>
As at 31 August 2019		1,076
		<hr/> <hr/>
9. Debtors	2020	2019
	£	£
Trade debtors	9,420	19,188
Prepayments and accrued income	248	217
	<hr/>	<hr/>
	9,668	19,405
	<hr/> <hr/>	<hr/> <hr/>
10. Creditors: amounts falling due within one year	2020	2019
	£	£
Accruals and deferred income	81,429	30,326
	<hr/> <hr/>	<hr/> <hr/>
11. Unrestricted funds	2020	2019
	£	£
Balance brought forward	88,606	83,938
Net movement in funds	11,375	4,668
	<hr/>	<hr/>
Balance carried forward	99,981	88,606
	<hr/> <hr/>	<hr/> <hr/>
12. Analysis of net assets between funds	2020	2019
	Total	Total
	£	£
Fixed assets	937	1,076
Net current assets	99,044	87,530
	<hr/>	<hr/>
	99,981	88,606
	<hr/> <hr/>	<hr/> <hr/>

13. Relates Party transactions**Fyne Homes Limited**

Fyne Homes Limited incurred payroll and other administrative costs on behalf of Inspiralba Ltd which were recharged during the year.

Inspiralba Ltd was charged £8,000 (2019 - £8,000) in respect of office rental by Fyne Homes Limited during the year.

Inspiralba Ltd charged Fyne Homes Limited £27,419 respect of Regeneration Project Support (2019 - £29,545). This includes £18,462 of Inspiralba employability staff wages funded by Fyne Homes Limited (2019 - £19,637).

The balance owed by Fyne Homes Limited at the year end was £9,244 (2019 - £11,014) and is included in trade debtors.

Fyne Energy Limited

Fyne Energy Limited is a subsidiary of Fyne Homes Limited. Inspiralba Ltd made sales to Fyne Energy Limited during the year totalling £2,599 (2019 - £13,434).

The balance owed by Fyne Energy Limited at the year end was £nil (2019 - £402).

Fyne Futures

Fyne Futures is a subsidiary of Fyne Homes Limited. Inspiralba Ltd made sales to Fyne Futures during the year totalling £440 (2019 - £nil).

14. Ultimate controlling party

There is no ultimate controlling party.

15. Corporation tax

As Inspiralba Ltd is a registered charity with OSCR and HMRC, no corporation tax is payable on its net movement in funds from its charitable activities (2019 - £nil).

16. Revenue commitments	2020	2019
	£	£
Offices < 1 year	-	8,000
	<u> </u>	<u> </u>

A new lease for the office was signed on 5 October 2020. The new lease is from 1 September 2020 to 31 August 2025 with rent of £3,600 per annum. This gives rise to a total revenue commitment of £18,000 over the length of the lease.