

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

REGISTERED NUMBER: SC360204

SCOTTISH CHARITY NUMBER: SC040666

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

INSPIRALBA LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Page
Directors' Report	1
Independent Auditor's Report to the Members and Directors of InspirAlba Ltd	8
Statement of Financial Activities (incorporating the Income and Expenditure Account)	12
Balance Sheet	13
Notes to the Financial Statements	14

The directors present their annual report with the financial statements of the charitable company for the year ended 31 August 2022.

Objectives and Activities

The charitable company Inspiralba Ltd ('Inspiralba') was incorporated on 26 May 2009 and over the past 13 years we have developed our services, providing business support, learning and employability opportunities for the benefit of our rural communities.

Inspiralba Ltd ('Inspiralba') provides: support for rural social enterprise and employability opportunities, assisting community based organisations to turn their ideas and aspirations into robust, sustainable business activities, whilst supporting individuals facing barriers to reach their full potential.

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.

Our charitable objectives are:

- To advance community development and to promote the effectiveness and/or efficiency of charities and, in particular, Social Enterprises in Rural Scotland.
- 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 sustainability and regeneration.

Achievements and Performance

Over the past year Inspiralba has delivered business support, networking, learning and advocacy support to assist community led organisations in their provision of essential services and facilities for our island and mainland rural communities. This has involved working with, development trusts, housing associations, environmental enterprises, arts, heritage, sports and education providers. In addition, our employability activities have increased considerably, through which we have supported a range of work experience, learning and employability opportunities for people facing barriers to work, including young people and the long term unemployed, through partnership work with social enterprises across the area.

BUSINESS SUPPORT

Inspiralba deliver Business Support for social enterprises through contract arrangement as part of a larger consortium of delivery partners, as well as responding directly to requests for support or submitting tenders for specific areas of work. Our Business Support activity has remained reasonably level from previous years and continues in to 2022/23.

Just Enterprise: Inspiralba have delivered business support via Just Enterprise (a support programme funded by the Scottish Government, to help sustain, develop, and grow social enterprises and enterprising charities in Scotland). Over the year we have worked with 24 community led and social enterprises across Argyll and the Islands, with business development assistance. This work 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.

- Social Enterprise Business Support Feedback: *"Thank you for the business plan, it looks great and has received great feedback from those I have shown. Thank you again for your time and work, it has been an invaluable learning curve for me."*

Direct Business Support: We have also delivered feasibility and business planning support working directly with South Islay Development, Fyne Futures and Mull and Iona Community Trust as well as scoping work for the NHS. We have continued to support Fyne Energy and Glenbarr Community Development Association to take forward local priorities as the income from the three-turbine development at Glenbarr, has now started to come to fruition.

In Kind Business Support: We have supported 3 organisations within kind Business and Development Support (Kintyre Recycling, Shopperaide and Argyll and Bute Council School Uniform Project) reinvesting in our charitable objectives. We also provided start up support to Kintyre Weigh. During the year we also worked with partners from South Kintyre Development Trust and Campbeltown Community Council, alongside Architecture and Design Scotland to deliver a Community Action Plan for Campbeltown. Employed trainees were supported to undertake the outreach, engagement and information gathering as well as contributing to writing the plan.

RURAL SOCIAL ENTERPRISE

With a passion for all things rural and social enterprise, Inspiralba launched The Rural Social Enterprise Hub with support from the Scottish Government, in 2019. The www.ruralsehub.net provides a focal point for research, development, learning resources and case studies for rural social enterprise in Scotland, Europe and further afield.

Rural Hub: During the year via our Rural Hub activity, Inspiralba supported 43 events, workshops and learning exchanges which provided information for 921 participants. This included, 6 Rural Social Enterprise Network Sessions and 1 Argyll and Bute Social Enterprise Network, 4 Learning exchanges, covering topics such as Community Led Tourism, Women Leaders in Social Enterprise and Community Growing as well as inputs and workshops with a range of strategic partners, including; Community Land Scotland, DTAS, Collective Leadership for Scotland.

Inspiralba also worked with partners in Canada and Australia to co-design the rural content for the Social Enterprise World Forum, which was hosted in Nova Scotia, attracting delegates from across the globe to the virtual event.

The www.ruralsehub.net website had an average of 800 page views per month from 250 users per month.

Collective Leadership: Inspiralba have worked with Scottish Government to gather stories on Collective Leadership, identifying key themes and good practice, sharing findings at number of national and international events. We were also able to pilot training for Community Leaders, delivered by Meg Wheatley and the Berkana Institute for 10 local organisations to bring best practice to our communities and bring a network of peer learners together over a 6 month period to develop skills and understanding on collective leadership for turbulent times.

Rural Social Enterprise Representation Nationally: During the year the Social Enterprise Census for Scotland was undertaken, Inspiralba promoted engagement and were a member of the steering group which was sadly only called once. We were also asked to be a member of the Social Enterprise Intermediary Transition Group which we attended from July onwards. We contribute to the Scottish Government Rural Economy Steering Group.

EMPLOYABILITY SUPPORT

Inspiralba have a proven track record in developing, managing, and delivering a variety of employment training opportunities for people of all ages facing barriers to work. Our approach uses a collaborative model, enabling local organisations to provide the nurturing environment which encourages individuals to access opportunities, gain skills, qualifications, and experience, to progress to their potential. Over the year we saw a significant increase in employment and training needs as a result of the impact of Covid Lockdowns, increased issues of mental health and lack of confidence alongside a change in the skills needs due to Brexit and wider economic features.

Investing in Communities: The Scottish Government extended funding for the Investing in Communities training and employability work we have developed and deliver on behalf of Fyne Homes. This led to a further 10 employment training opportunities being supported across a range of social enterprises in Bute,

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

Cowal, Mid Argyll and Kintyre. Additional training resources have also been developed and shared with rural social enterprises through this work.

Kickstart: We were able to Build on our employability experience delivering Kickstart waged employment opportunities throughout the year. Operating as a Gateway Organisation for the Third Sector across Argyll, we supported 51 young people with grant funding support coming from the Department of Work and Pensions in the year across 17 social enterprises. This generated an additional £226,619 for third sector employers in wage subsidy support.

- Participant Quote: *"I have found the employer to be very accommodating to any issues I have encountered throughout my placement, and they have helped me grow in both knowledge and confidence. This has also been a good exercise in networking; it has also, by sheer virtue of working outside, improved my physical fitness and overall health. Inspiralba's monthly reviews have allowed me to recognise the skills I have developed and work I have accomplished on a regular basis."*
- The third sector employer added *"Inspiralba have offered us continued support through regular check-ins and communications."*

Wage Subsidy for Long Term Unemployed: Kickstart had focussed on support for young people, however in May 2021 funding from Scottish Government via Argyll and Bute Council meant we were able to extend wage subsidy support with a focus on those aged over 25 who had been out of work for a minimum of 12 months (Long Term Unemployed). During the financial year we were able to support 9 people through this programme across 8 social enterprises, enabling individuals to gain valuable waged work experience and training.

Spark Your Purpose: Funding through Argyll and Bute Employability Partnership, with Scottish Government No One Left Behind and Young Persons Guarantee resource, enabled us to establish Spark Your Purpose as a pre-employability programme in December 2021. The programme has been developed working with our network of third sector delivery partners, (Fyne Futures, HELP, Centre 81, Mid Argyll Youth Development Services and McTaggart Youth and Family Services). With locally based organisations, we are able to provide pre-employment support for young people and those aged over 25.

The focus of the programme is to tailor support that meets individual needs and develops their confidence, skills, aspirations, and resilience, encouraging the individual to explore their interests and aspirations and connects them to a locally based delivery partner, who provide them with support. The local organisation will then tailor an activity plan which includes activities to ignite a spark of interest and inspire engagement in the programme. 128 people facing barriers to work were supported during the financial year, with the initial phase focussing on the 16-24 age group which was then extended to include 16-67-years-old given the success of the programme. We have seen considerable distanced travelled by participants, with 50% moving on to positive destinations, including work or further education from a starting point of significant challenges and barriers.

- Participant Feedback: *"Rachel was fantastic and behind me from the minute I walked through the door! Absolutely amazing to be back in work. Thank you so much!!"*

"That I got to choose what I needed and wanted to do. It wasn't decided for me and gave me lots of options. The support was great and made all the difference to keep going."
- Delivery Partner Feedback: *"The flexibility of the programme and support of the Inspiralba team has really enabled us to make a real difference working with young people in our local area, it has also been great working with other organisations from across Argyll"*

In kind Employability Activity: Inspiralba have contributed as an active member of the Argyll and Bute Local Employability Partnership and Developing our Young Workforce Board.

Supporting Opportunities for Young People within our own team: With a commitment to creating opportunities for young people in response to outmigration challenges, Inspiralba have employed 2 Graduates with support from Highlands and Islands Enterprise, one of whom has moved on to other employment and the other has been promoted to a lead role within the team. Our ViSENet Coordinator

also moved on to a permanent role with Scottish Government at the start of the year as this European funded programme was coming to an end. We supported a further 3 employed trainees within the business during the year and more recently we recruited a Modern Apprentice and a Graduate Apprentice who started their formal training in September 2022.

Given the significant increase in activity over the year, particularly in relation to employability activities, with challenging timescales to develop, establish and delivery outcomes, the staff team must be commended on their ability to work under pressure and deliver a quality provision. This is within a context where we also lost 2 more experienced staff, at the start of the year, 1 due to retirement and 1 moving on to work in Government, but with additional training, support and coaching have seen our younger team members develop their confidence as well as knowledge and expertise to take on additional responsibilities across our work.

We continue to be inspired by the creativity, integrity, diligence, commitment, passion and determination to meet local needs, both in terms of social enterprise activity and via employability activity by staff, volunteers, and partners, which supports us to do our best in a complex and ever changing context.

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. Similarly, business start up support generated income from Social Enterprise Academy for an EU funded programme. Trading income was also generated working directly with Mull and Iona Community Trust, Kintyre Recycling, South Islay Development and NHS Highland on consultancy assignments. Support to Fyne Energy Limited for community engagement delivery work also generated trading income.

Project management and coordination support generates income from Fyne Homes Limited for the development and delivery of employability and regeneration (Investing in Communities). This also provides income to cover wage costs for employed trainees hosted by Inspiralba. Delivery of the Kickstart programme as a Gateway Organisation generates grant income to cover admin and employability support costs as well as wage costs for Kickstart employed trainees hosted by Inspiralba.

Grant income was also secured for the delivery of various employability programmes from Argyll and Bute Council, including No One Left Behind and Young Persons Guarantee funding, with much of this funding passed on to delivery partners and on direct project costs, such as training and expenses for programme participants.

We received EU grant funding for production of ViSENet learning resources for rural social enterprise from University of Helsinki as lead partner for Erasmus funded project. Grant funding was also secured from Highlands and Islands Enterprise to support our Graduate wage costs.

The Scottish Government has provided funding towards the costs of the Rural Social Enterprise Hub. In addition, we have secured various small grants including from NHS Highland and Scottish Community Alliance.

Financial review

The charitable company generated net income of £84,868 in the year compared to net income of £9,038 in 2020/21. The majority of this is restricted funding which will be used to deliver the objectives of the grant funding received in the forthcoming year.

Plans for future periods

We anticipate a sustained level of income, with continued delivery of business support secured for the first half of the year. Similarly, we project continued delivery of employability activities with grants secured for activity until March 2023. Rural Hub activities will all continue over the next year, all of these will bring income and associated expenditure. 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:

T. Chambers
D. Forsyth
S. MacDonald
S. Cole (appointed 28.3.22)
W.C.F. Renfrew (resigned 28.5.22)
A. Thorburn (resigned 31.3.22)

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.

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

The auditor, Azets Audit Services, will be proposed for reappointment at a General Meeting.

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:

Opinion

We have audited the financial statements of Inspiralba Ltd (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and the notes to the financial statements, including 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 2022 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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information. 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 2022**

Other information (continued)

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 course of 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 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 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 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 7, 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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF INSPIRALBA LTD
FOR THE YEAR ENDED 31 AUGUST 2022**

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charitable company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including 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 charitable company through discussions with directors and other management, and from our 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 charitable company, including the Companies Act 2006, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental and health and safety legislation;
- 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.

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 any correspondence with HMRC.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF INSPIRALBA LTD
FOR THE YEAR ENDED 31 AUGUST 2022**

We assessed the susceptibility of the charitable 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 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Kings Inch Place

Renfrew

PA4 8WF

Date:

INSPIRALBA LTD

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

FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income					
Donations and grants	4a	-	610,596	610,596	178,036
Charitable activities	4b	79,496	57,865	137,361	102,323
		<u>79,496</u>	<u>668,461</u>	<u>747,957</u>	<u>280,359</u>
Expenditure on:					
Charitable activities	4c	(63,289)	(599,800)	(663,089)	(271,321)
Net income for the year		<u>16,207</u>	<u>68,661</u>	<u>84,868</u>	<u>9,038</u>
Transfers between funds		-	-	-	-
Net movement in funds	5	<u>16,207</u>	<u>68,661</u>	<u>84,868</u>	<u>9,038</u>
Total funds brought forward		<u>109,019</u>	-	<u>109,019</u>	<u>99,981</u>
Total funds carried forward		<u>125,226</u>	<u>68,661</u>	<u>193,887</u>	<u>109,019</u>

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 2022**

	Notes	2022 £	2021 £
Fixed Assets			
Fixtures and fittings	8	4,449	1,134
Current assets			
Debtors	9	221,804	37,354
Cash at bank and in hand		200,286	118,778
		422,090	156,132
Creditors: amounts falling due within one year	10	(232,652)	(48,247)
Net current assets		189,438	107,885
Net assets		193,887	109,019
The funds of the charity:			
Unrestricted funds	11,12	125,226	109,019
Restricted funds	11,12	68,661	-
Total charity funds		193,887	109,019

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 _____ by:

Name:

Director

Registered Number: SC360204

Scottish Charity Number: SC040666

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. General information

Inspiralba Ltd ('Inspiralba') is a social enterprise which provides: development, management, funding, employability 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 Support, Networking, Developing Learning Opportunities and Advocacy for rural Social Enterprise), 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 (SC360204) 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 Policies) 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 anticipate that a small surplus will be made in the year ended 31 August 2023 and a deficit will be made in the year ended 31 August 2024 in relation to restricted funds being expended during the year with a return to surplus thereafter. The charitable company has a net asset position with a healthy bank balance and a letter of support has been provided by Fyne Homes Limited 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 accrual's 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4d. Support costs	2022	2021
	£	£
Telephone and IT	1,220	1,754
General administration including travel expenses	16,244	3,196
Travel Expenses	7,888	2,216
Utilities	1,613	2,069
Governance	123	697
Insurance	1,466	696
Depreciation	2,224	567
Office premises rental	4,980	3,600
Audit fee	6,000	3,150
Fyne Homes Management Fee	2,000	833
	<u>43,758</u>	<u>18,778</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 (2021 - £nil).

	2022	2021
	£	£
Project costs funded by grants and donations 53% (PY:45%)	23,192	8,450
Consultancy costs 35% (PY:33%)	15,315	6,197
Training costs 5% (PY:10%)	2,188	1,878
Funded wages 5% (PY:10%)	2,188	1,878
Grants made 2% (PY:2%)	875	375
	<u>43,758</u>	<u>18,778</u>

5. Net movement in funds	2022	2021
	£	£
Net movement in funds are stated after charging:		
Auditor's remuneration – audit fee excluding VAT	<u>5,000</u>	<u>2,625</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>2,224</u>	<u>567</u>
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6. Staff costs	2022	2021
	£	£
Wages and salaries	172,648	156,850
Social security costs	14,634	10,132
Pension costs	5,314	4,311
	<u>192,596</u>	<u>171,293</u>

No employees' emoluments exceeded £60,000 in the year (2021 - £nil).

The emoluments paid to key management were £52,563 (2021 - £47,979).

	2022	2021
	Number	Number
Full Time Equivalent of persons employed during the year	<u>6</u>	<u>6</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**
7. Directors' emoluments

There were no directors' emoluments (2021 - £nil).

8. Tangible fixed assets	Fixtures and Fittings £
Cost:	
As at 1 September 2021	5,772
Additions in year	5,539
As at 31 August 2022	<u>11,311</u>
Depreciation:	
As at 1 September 2021	4,638
Charge for the year	2,224
As at 31 August 2022	<u>6,862</u>
Net Book Value:	
As at 31 August 2022	<u>4,449</u>
As at 31 August 2021	<u>1,134</u>

9. Debtors	2022 £	2021 £
Trade debtors	136,008	16,691
Prepayments and accrued income	85,796	20,663
	<u>221,804</u>	<u>37,354</u>

10. Creditors: amounts falling due within one year	2022 £	2021 £
Accruals and deferred income	<u>232,652</u>	<u>48,247</u>

11. Funds	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Balance brought forward	109,019	-	109,019	99,981
Net movement in funds	16,207	68,661	84,868	9,038
Balance carried forward	<u>125,226</u>	<u>68,661</u>	<u>193,887</u>	<u>109,019</u>

There were no restricted funds as at 31 August 2021 with the balance of funds relating solely to unrestricted funds.

12. Analysis of net assets between funds	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Fixed assets	4,449	-	4,449	1,134
Net current assets	120,777	68,661	189,438	107,885
	<u>125,226</u>	<u>68,661</u>	<u>193,887</u>	<u>109,019</u>

There were no restricted funds as at 31 August 2021 with the balance of funds relating solely to unrestricted funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**
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 £4,980 (2021 - £3,600) in respect of office rental by Fyne Homes Limited during the year.

Inspiralba Ltd was charged £2,000 (2021 - £833) in respect of a management fee by Fyne Homes Limited during the year

Inspiralba Ltd charged Fyne Homes Limited £27,295 respect of Regeneration Project Support (2021 - £28,394). This includes £27,295 of Inspiralba Ltd employability staff wages funded by Fyne Homes Limited (2021 - £19,784).

The balance owed by Fyne Homes Limited included in trade debtors at the year-end was £nil (2021 - £7,825) 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 £5,027 (2021 - £2,131).

The balance owed by Fyne Energy Limited included in trade debtors at the year-end was £nil (2021 - £946).

Fyne Futures

Fyne Futures is a subsidiary of Fyne Homes Limited. Inspiralba Ltd made sales to Fyne Futures during the year totalling £2,625 (2021 - £6,065). The balance owed by Fyne Futures at the year-end was £nil (2021 - £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 (2021 - £nil).

16. Revenue commitments	2022	2021
	£	£
Offices		
< 1 year	3,600	3,600
1-2 years	3,600	3,600
2-5 years	3,600	7,200
	10,800	14,400