



**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2023
for
Faith in Community (Scotland)**



Brett Nicholls Associates
Herbert House
24 Herbert Street
Glasgow
G20 6NB

**Contents of the Financial Statements
for the Year Ended 31 March 2023**

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Faith in Community (Scotland)

Reference and Administrative Details for the Year Ended 31 March 2023

TRUSTEES	Ian F Galloway - Convener Sandra M Carter - Vice-Convener Lucy A Macleod - Company Secretary (until 12.12.23) John B Geggan Harry M J Johnstone Kenneth P McGeachie Anne McGreechin Susan McMahon (resigned 23.9.22) Anne M Pepper Farkhanada Chaudhry Marilyn Shedden (appointed 12.12.22)
DIRECTOR	Iain Johnston
REGISTERED OFFICE	759 Argyle Street Glasgow G3 8DS
REGISTERED COMPANY NUMBER	SC288937 (Scotland)
REGISTERED CHARITY NUMBER	SC036787
INDEPENDENT EXAMINER	David Nicholls FCCA Brett Nicholls Associates Herbert House 24 Herbert Street Glasgow G20 6NB
BANKERS	Unity Trust Bank plc Four Brindley Place Birmingham, B1 2JB
INVESTMENT MANAGER	Quilter Cheviot Delta House 50 West Nile Street Glasgow G1 2NP

Faith in Community (Scotland)

Report of the Trustees for the Year Ended 31 March 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Faith in Community (Scotland) is a registered charity operating in Scotland (Scottish charity number SC036787). During the course of the year the Trustees decided to submit a request to the Office of the Scottish Charity Regulator (OSCR) that the charity be converted from a company limited by guarantee (SC288937) to a Scottish Charitable Incorporated Organisation (SCIO). This process was completed, and approval given by OSCR on 13 December 2022. Details of the Trustees and senior staff who served during the year and since the year end are provided. The Trustees are responsible for ensuring that the annual financial statements prepared give a true and fair view of the state of affairs of the charity at the end of each year and of the incoming resources and resources expended for each year.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's new SCIO constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

SECTION ONE: VISION, MISSION AND VALUES

Vision

Our vision is of all Scotland's communities being places of love, welcome, justice and sharing, where everyone can live their life to the full.

Values and beliefs

- Living hopefully: we believe in the gifts and potential of people and communities to overcome poverty.
- Building community: we believe that people participating in strong purposeful communities (geographic and interest-based) are best placed to bring about real change.
- Acting justly: we believe in the threads of justice and fairness woven through the world's different faith traditions.
- Supporting compassionately: we believe in nurturing community leaders in body, mind and spirit in their work for justice.
- Investing fairly: we believe resources must be prioritised and used where they are most needed in Scotland's economically poorest urban and rural communities.

Purpose

- We support local faith groups in their work to tackle poverty.
- We build connections between local faith groups themselves, and collectively with strategic partners.
- We build movements for change led by people and groups experiencing poverty.

SECTION ONE: VISION, MISSION AND VALUES

Grant Making Policy

The charity awards a number of grants to local groups. Grant applications are received regularly throughout the year and are assessed by staff and/or Trustees. Successful applications are agreed against the strategic objectives of the charity and particular themes or criteria which may be agreed by the Trustees for specific programmes, as well as the quality and achievability of the proposed applications themselves.

The full-time equivalent number of staff employed by the charity over the course of the year was 5.6, of which 2 were full-time and 7 part-time.

Contribution of volunteers

The charity appreciates the work of a number of volunteers who give their time and energy in different ways. Our governance obviously depends on the immense voluntary contribution of our trustees and the members of different task and reference groups, some of whom also conduct assessments on grant applications. Volunteers also contribute to the work of the Poverty Truth Community, our community coaching programme, and the strategic work of the organisation as a whole.

Thanks to funders and partners

The Trustees would like to express once again their thanks to the following funders and partners who have supported our work. We particularly value the trust placed in us by partners and funders who have supported us over a number of years, and whose confidence in our work continues to allow us to adapt our work in a time of constant change and challenge for the local groups we work alongside:

Archdiocese of Glasgow via the St Nicholas Care Fund, Baird Trust, Church of Scotland (including Presbytery of Glasgow), Dulverton Trust, EU Asylum, Migration and Integration Fund, Ferguson Bequest Fund, Joseph Rowntree Foundation, Methodist Church in Scotland, Religious Society of Friends, Robertson Trust, Scottish Episcopal Church, Scottish Government (Social Justice Unit), Standard Life, United Reformed Church, William Grant Foundation and various anonymous donors.

SECTION TWO: ACHIEVEMENTS AND PERFORMANCE

Over the past year we have worked with 228 local groups in Argyll, Edinburgh, Fife, Glasgow, Inverclyde, Renfrewshire, West Dunbartonshire, North Lanarkshire, South Lanarkshire and West Lothian.

We shape our work around the following 4 key objectives, supporting local groups with project development and increasing their ability to cope with the pressures and challenges post-Covid and the increased fragility brought on by the cost of living crisis.

1. To strengthen the ability of faith groups to tackle poverty.

- ✓ Presence: Our staff commit to spending as much time as possible with leadership teams of local groups in various communities, supporting them to think through vision, strategy, funding, financial systems and governance. The effects of Covid and the cost of living crisis, coupled with longer term systemic issues has meant that many local partners are facing extreme challenges and making difficult decisions to address them.
- ✓ Facilitation of local leadership teams: Our team has been working intensively to support local leaders as they develop innovative plans to re-envision their work in the context created by the pandemic and spiralling cost of living.



"When people come together, communities thrive".
A facilitated art workshop for participants to reflect on post-pandemic challenges and opportunities.



- ✓ Share and Connect: we supported a network of local groups offering hospitality, space and activities over the winter months which brought people together to connect with each other, build community, build confidence and help people share ideas, stories and skills through things like singing, dancing, music, poetry, crafts, film nights, community meals. We provided a local budget of up to £2,400, along with support from our staff team, and time to connect with other participating groups to share ideas.



Participating groups in "Share and Connect" come together to reflect on the work being done.

Some local activities supported:

- ✓ *Together We Make Maryhill: "...we worked with our partners across Maryhill to make sure there was somewhere people can go each weekday for a warm welcome, a cuppa and a bite to eat."*
- ✓ *Dalmuir Barclay Church: "We want to welcome anyone in our community whether it's for heat, food, or to alleviate loneliness. We're starting indoor bowls and our drop-in café will be a place for folk to come together."*
- ✓ *Cranhill Development Trust: community movie night for families*

Faith in Community (Scotland)

Report of the Trustees for the Year Ended 31 March 2023

- ✓ Whilst most of our work is with groups in the most deprived urban communities, we have begun to develop links and support with remote rural communities through a pilot in Argyll. This began post lockdown and has developed further over the past year.

2. To encourage and support faith groups to work with the most vulnerable people in their communities.



Workshop at Faithful Welcome Gathering "Love Without Limits"

Work with New Scots:

We worked alongside Scottish Faiths Action for Refugees (SFAR) on our Faithful Welcome project. The genesis of this work was in 2021 and predated the Russian invasion of Ukraine. We focused on supporting faith groups across Scotland to engage in meaningful ways with asylum seekers and refugees.

We held focus groups with New Scots themselves and produced a report "Somebody Reaches Out" (download from <https://www.faithincommunity.scot/faithfulwelcome>). We held 17 awareness raising events reaching over 850 people, produced a series of 4 videos and provided small grants and capacity building for local groups working with New Scots. We delivered a conference of New Scots in June 2022 and delivered a wellbeing workshop at a further event. We established local networks of faith groups to meet needs in a specific area (for example in Paisley and Erskine where asylum seekers are being housed in hotels, often at short notice).

People leaving prison:

We continue to support the work of two local prison throughcare initiatives in Glasgow and Inverclyde, working with them to identify and access funding, and providing training for the recruitment and support of volunteers and participants.

People experiencing food insecurity:

We continued to partner on the Interfaith Food Justice Network, hosting 3 networking meetings for around 100 participants on topics such as funding and sustainability, money and advice, and wellbeing and resilience.



Participants in partner prison throughcare project I FiT, Inverclyde



Staff team planning & reflection day

3. To nurture, develop and support local leaders and activists.

- ✓ Purposeful development: we carried out research with 12 local groups asking them how we could support them to 'dig deeper' with their training and development needs, with a particular focus on the nurture and care of overstretched staff and volunteers.
- ✓ coaching and one to one support of local staff and volunteers
- ✓ partnered with Iona Community on a programme to develop young leaders living and volunteering in urban communities

4. To support people and local groups to speak the truth about poverty.

The Poverty Truth Community continues to work on the following four themes:

- **Support and nurture people experiencing poverty to realise and utilise their valued expertise on poverty.**

30 people living with poverty supported - resulting in an engaged community able to take part in the work with decision makers and provide mutual support for each other. Activities have included well being sessions, online

Faith in Community (Scotland)

Report of the Trustees for the Year Ended 31 March 2023

poverty truth conversations, support for kinship carers and the development of the Women's Integration Network which has also connected with the wider FiCS work as part of Faithful Welcome.



Some community members involved in the mutual mentoring programme.

- **Bring together people living with poverty and others in positions of influence - inviting them to work together to create change.**

30 people living with poverty engaged in conversation - resulting in the experiences of people living with poverty being gathered to enable movement to the next stage of the project, sharing conversations with decisions makers. We have had local Poverty Truth Conversations in Possilpark and Gorbals, and completed another successful Mutual Mentoring Scheme with participants from the Scottish Government.

- **Work to influence and contribute to policy change - at a local, Scottish and UK level.**

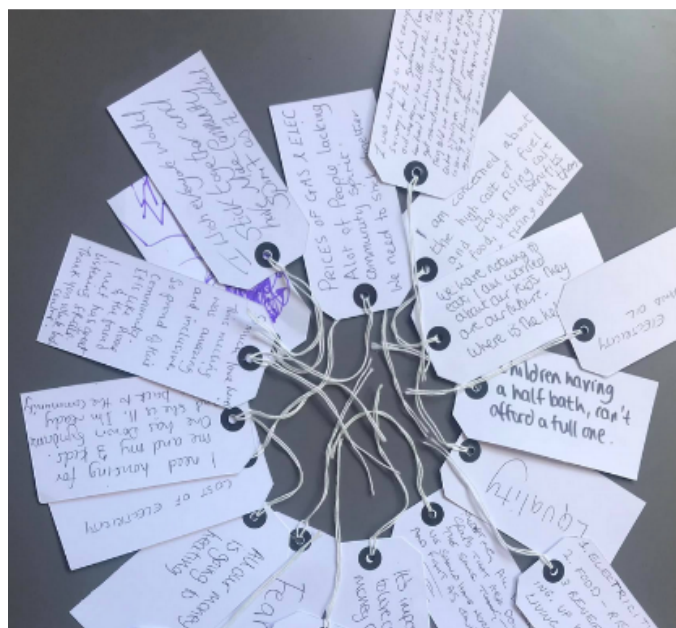
20 people living with poverty influencing and contributing to change - resulting in better informed policy and practice. Community members have had partial success around influencing Scottish Government policy change on SAAS funding for refugees. They have also participated in a wide variety of policy forums and exchanges such as Westminster parliamentary groups and Scottish Government conferences.

- **Share experiences of poverty and suggestions for change through public telling, social media and new opportunities.**



PTC members meeting with MSP's about a fair food system

A variety of experiences developed and shared - resulting in more confidence from story tellers and a more representative picture of the impact of poverty on people's lives. We have worked with Tricky Hat productions to develop 'Listening to our City' project and produced a new publication 'Filled to the Brim' about the impact of poverty on everyday life: <http://lincolnthetheologicalinstitute.com/filled-to-the-brim/>. The resource and presentations of it have been shared widely within the Scottish Government, academic teaching, and third sector groups.



*PTC members commenting on cost of living crisis:
"Alone we can do little, but together we can do much"*

Faith in Community (Scotland)

Report of the Trustees for the Year Ended 31 March 2023

FINANCIAL REVIEW

SECTION THREE: FINANCIAL REVIEW

The Statement of Financial Activities on Page 11, shows that the charity reported net outgoing resources of £26,072 for the year (2022: net incoming resources of £60,771) and total funds at 31 March 2023 of £545,365 of which £68,921 were restricted.

The net outgoing resources for the year consisted of net incoming resources of £9,148 on unrestricted funds and net outgoing resources of £35,220 on restricted funds.

The trustees continued to review the investment policy to ensure that the financial reserves yield the best possible return, in line with ethical investment policies which support the charity's core objectives of tackling poverty in Scotland. The aim is to spread the reserves across both interest-bearing bank accounts and a managed portfolio with Quilter Cheviot.

Faith in Community (Scotland) Investment Objective is to grow returns by Capital and Income growth with an estimated 6.2% pa return over a 7 year period. This should be achieved by the Trustees agreeing to a medium risk portfolio with a Balanced Strategy chosen to achieve this. This Strategy has a maximum drawdown (could fall) of up to 26.1% and Faith in Community (Scotland) trustees have agreed to having a moderate capacity to bear loss of up to 35% in exceptional circumstances.

Faith in Community (Scotland) have agreed to Quilter Cheviot achieving these annualised returns over an economic cycle by investing in a diversified portfolio that invests in a wide spread of asset classes and stocks by geography and sectors. The investment restrictions on the portfolio are not to invest in stocks that have a material exposure to the following activities/sectors:- alcohol (irresponsible marketing, promoting underage or excessive consumption), armaments (including nuclear involvement), pornography (production or major involvement in distribution), tobacco (manufacture and major retail), animal breeding (for fur), gambling (irresponsible marketing, major involvement in casinos, gaming machines and betting), human rights, supply chain violations, product responsibility, environmental issues, manufacturing of abortion related products, consumer credit institutions and fossil fuels. During the year the Trustees' reviewed the ethical investment strategy and agreed to adhere to it because of the charity's values and ethos and in spite of the investment restrictions possibly leading to lower financial returns for the charity.

Asset Class	Allocation (%)
Fixed Interest (UK)	15.3
Fixed Interest (Overseas)	2
Equities (UK)	21.3
Equities (Overseas)	46.4
Alternatives	9

Faith in Community (Scotland)

Report of the Trustees for the Year Ended 31 March 2023

Due to testing market conditions largely driven by high inflation and rapidly rising interest rates causing repricing of both bond and equity markets, the portfolio has recorded a 12-month performance figure of -6.7% to 31 March 2023, meaning a loss of £16,398.

Risks facing the charity are reviewed regularly and the risk register identifies the level of risk, how this can be minimised and who is responsible for taking relevant action. The charity faces ongoing uncertainty over funding for the diverse activities undertaken, particularly in relation to the short-term nature of various public sector funding streams which are only made available on an annual basis. As at March 2023 the Board had identified the following as the most significant risks:

1) Inability to carry out activities due to insecurity of long-term funding.

Our strategy for mitigating this risk is continually to review suitable and appropriate sources of funding, and to seek to secure funding agreements which last longer than 1 year.

2) Disruption to activities due to loss of staff and/or volunteers.

Our strategy for mitigating this risk is to work hard to create a culture where staff and volunteers are valued and supported in the work they do with local people, and where they can participate meaningfully in decision-making processes.

3) Disruption to activities due to damage to assets.

Our strategy for mitigating this risk is to have in place appropriate policies and insurance cover so that IT equipment can be replaced if necessary; and to remind staff and volunteers of the importance of security and care of assets.

The Trustees express ongoing thanks to partners and funders of our various areas of work over the past year.

At 31 March 2023 the charity holds a total of £545,365 in reserves. £68,921 of these are restricted and are not available for general purposes, and £100,000 is held as a designated fund to earn income for local grant giving in line with the preference of the donor. A further £1,931 is tied up in fixed assets. The Trustees have used reserves over the past year to award small grants to local faith groups tackling poverty in different ways.

The Trustees have considered the charity's requirement for reserves and have agreed a policy whereby unrestricted funds not tied up in fixed assets or committed for spending elsewhere, should be between three and six months of running costs. Based on current expenditure levels this would equate to between £75,000 and £150,000. At the 31 March 2023 the charity had free reserves of £374,513 which is above our target levels. In view of this, the Trustees are pleased to make ongoing use of these reserves to support local work through awarding grants to local groups.

FUTURE PLANS

We have just completed a review of our vision, values, mission and purpose and are shaping our work in the coming year accordingly:

Vision

Our vision is of Scotland's communities being places of love, welcome, justice and sharing, where everyone can live their life to the full.

Values and beliefs

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Faith in Community (Scotland)

Report of the Trustees for the Year Ended 31 March 2023

Purpose

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SECTION FOUR: STRUCTURE, GOVERNANCE AND MANAGEMENT

Overall policy and strategy is determined by the Trustees on the basis of ongoing input from the communities we work with as well as staff, volunteers and members of particular task/reference groups. The Director is responsible to the Trustees for the overall day to day work of the charity. The Trustees meet five times each year to review progress. The Resources Committee of the Trustees meets regularly to consider staffing, finance and property matters.

Trustees are appointed or co-opted annually and appropriate support and information is given to Trustees as part of their induction. Training and support needs of trustees are reviewed on an ongoing basis by the Director and the Convener of the Board of Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

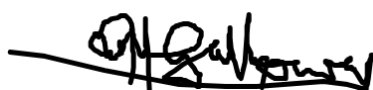
The trustees (who are also the directors of Faith in Community (Scotland) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Trustees on 05/10/2023 and signed on its behalf by:


.....
Ian F Galloway - Trustee

Independent Examiner's Report to the Trustees of Faith in Community (Scotland)

I report on the accounts for the year ended 31 March 2023 set out on pages eleven to twenty three.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention :

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



David Nicholls, FCCA
The Association of Chartered Certified Accountants
Brett Nicholls Associates
Herbert House
24 Herbert Street
Glasgow
G20 6NB

Date: 9 October 2023

Faith in Community (Scotland)

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31 March 2023

		Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds as restated
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	89,250	177,247	266,497	333,315
Other trading activities	4	3,315	1,307	4,622	7,314
Investment income	5	5,422	-	5,422	4,698
Other income	6	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>4,000</u>
Total		<u>102,987</u>	<u>178,554</u>	<u>281,541</u>	<u>349,327</u>
EXPENDITURE ON					
Charitable activities	7				
Prevention or relief of poverty, advancement of citizenship or community development and promotion of religious or racial harmony		<u>77,441</u>	<u>213,774</u>	<u>291,215</u>	<u>295,028</u>
Net gains/(losses) on investments		<u>(16,398)</u>	<u>-</u>	<u>(16,398)</u>	<u>6,472</u>
NET INCOME/(EXPENDITURE)		<u>9,148</u>	<u>(35,220)</u>	<u>(26,072)</u>	<u>60,771</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>467,296</u>	<u>104,141</u>	<u>571,437</u>	<u>510,666</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>476,444</u></u>	<u><u>68,921</u></u>	<u><u>545,365</u></u>	<u><u>571,437</u></u>

CONTINUING OPERATIONS

This statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities in both years.

Comparative figures for the previous year by fund type are shown in Note 14.

The notes on pages 14 to 23 form part of these financial statements.

Faith in Community (Scotland)

Balance Sheet 31 March 2023

		2023 £	2022 as restated £
FIXED ASSETS	Notes		
Tangible assets	16	1,931	4,055
Investments	17	<u>200,710</u>	<u>218,568</u>
		202,641	222,623
CURRENT ASSETS			
Debtors	18	28,428	2,962
Cash at bank and in hand		<u>320,944</u>	<u>371,688</u>
		349,372	374,650
CREDITORS			
Amounts falling due within one year	19	(6,648)	(25,836)
		<u>342,724</u>	<u>348,814</u>
NET CURRENT ASSETS			
		<u>342,724</u>	<u>348,814</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		545,365	571,437
NET ASSETS		<u>545,365</u>	<u>571,437</u>
FUNDS	21		
Unrestricted funds		476,444	467,296
Restricted funds		<u>68,921</u>	<u>104,141</u>
TOTAL FUNDS		<u>545,365</u>	<u>571,437</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

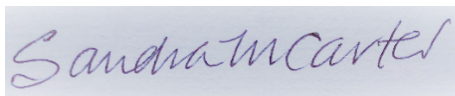
- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Faith in Community (Scotland)

Balance Sheet - continued
31 March 2023

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

The financial statements were approved by the Board of Trustees and authorised for issue on 06/09/2023 and were signed on its behalf by:



.....
Sandra M Carter - Trustee

**Notes to the Financial Statements
for the Year Ended 31 March 2023**

1. GENERAL INFORMATION

Faith in Community (Scotland) ("the charity") is a Scottish charitable incorporated organisation governed by its Constitution, registered in Scotland (registered number SC036787) on 13 December 2022. Prior to this it was registered as a charitable company limited by guarantee in Scotland (SC288937) on 16th August 2005. Its registered address is 759 Argyle Street, Glasgow, G3 8DS.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared on an accruals basis, and on a going concern basis, in accordance with:

- the Charities and Trustee Investment (Scotland) Act 2005;
- Regulation 8 (Statement of account - Fully accrued accounts) of The Charities Accounts (Scotland) Regulations 2006;
- the Financial Reporting Standard applicable in the UK and Republic of Ireland, published in March 2018 ("FRS 102"), to the extent that it applies to small entities and public benefit entities;
- 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, published in October 2019 (FRS 102)' ("the Charities SORP");
- UK Generally Accepted Accounting Practice; and
- the historical cost convention.

The charity meets the definition of a public benefit entity under FRS 102.

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

The financial statements are presented in UK sterling, which is the charity's functional currency, and rounded to the nearest pound.

There have been no changes to the basis of preparation this financial year or to the previous financial year's financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Improvements to property	- 20% on cost
Office & Other Equipment	- 25% on cost
Computer Equipment	- 25% on cost

Taxation

Faith in Community Scotland is a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

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

Pension costs and other post-retirement benefits

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

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	11,925	1,139
Grants	<u>254,572</u>	<u>332,176</u>
	<u>266,497</u>	<u>333,315</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Bookkeeping Services	<u>4,622</u>	<u>7,314</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Bank interest	<u>5,422</u>	<u>4,698</u>

6. OTHER INCOME

	2023	2022
	£	£
Employment Allowance	<u>5,000</u>	<u>4,000</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8 & 9) £	Support costs (see note 10) £	Totals £
Prevention or relief of poverty, advancement of citizenship or community development and promotion of religious or racial harmony	<u>288,290</u>	<u>2,925</u>	<u>291,215</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022 as restated
	£	£
Staff costs	202,548	211,023
Other Staff Costs - Travel & Subsistence	3,606	3,152
Activity Costs	18,221	3,338
Administrative Costs	13,968	16,796
Property Costs	4,051	6,569
Publicity Costs	1,476	348
Management Fees for Investment	1,461	1,614
Depreciation	<u>2,124</u>	<u>3,818</u>
	<u>244,955</u>	<u>246,658</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

9. GRANTS PAYABLE

	2023 £	2022 £
Prevention or relief of poverty, advancement of citizenship or community development and promotion of religious or racial harmony	<u>43,335</u>	<u>45,850</u>

During the year a number of grants were paid to local groups under various programmes:

	2023 £	2022 £
Shaping the Future	10,530	36,780
Greener Spaces, Fairer Places	1,500	7,870
Share & Connect	22,805	-
Faithful Welcome	8,500	-
A Wee Boost	<u>-</u>	<u>1,200</u>
	<u>43,335</u>	<u>45,850</u>

10. SUPPORT COSTS

	2023 £	2022 £
Independent Examiner Fee	2,790	2,520
Bank charges	<u>135</u>	<u>195</u>
	<u>2,925</u>	<u>2,715</u>

11. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Depreciation - owned assets	<u>2,124</u>	<u>3,818</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

13. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	174,272	183,111
Social security costs	13,833	13,113
Other pension costs	<u>14,443</u>	<u>14,799</u>
	<u><u>202,548</u></u>	<u><u>211,023</u></u>

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

	2023	2022
		
Staff Team (by headcount)	<u>9</u>	<u>12</u>

No employees received emoluments in excess of £60,000.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds as restated
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	127,499	205,816	333,315
Other trading activities	6,814	500	7,314
Investment income	4,698	-	4,698
Other income	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total	<u><u>143,011</u></u>	<u><u>206,316</u></u>	<u><u>349,327</u></u>
EXPENDITURE ON			
Charitable activities			
Prevention or relief of poverty, advancement of citizenship or community development and promotion of religious or racial harmony	<u>128,157</u>	<u>166,871</u>	<u>295,028</u>
Net gains on investments	<u>6,472</u>	<u>-</u>	<u>6,472</u>
NET INCOME	21,326	39,445	60,771
Transfers between funds	<u>8,453</u>	<u>(8,453)</u>	<u>-</u>
Net movement in funds	29,779	30,992	60,771
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>437,517</u>	<u>73,149</u>	<u>510,666</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>467,296</u></u>	<u><u>104,141</u></u>	<u><u>571,437</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. PRIOR YEAR ADJUSTMENT

During the course of the Independent Examination, it was discovered that a carried accrued income balance of £8,470 related to income which had already been received in 2021. The 2022 figures have therefore been restated to account for this. The effect of this restatement is a reduction in current assets and a reduction in unrestricted reserves of £8,470.

16. TANGIBLE FIXED ASSETS

	Improvements to property £	Office & Other Equipment £	Computer Equipment £	Totals £
COST				
At 1 April 2022 and 31 March 2023	<u>12,395</u>	<u>6,394</u>	<u>14,317</u>	<u>33,106</u>
DEPRECIATION				
At 1 April 2022	12,395	5,993	10,663	29,051
Charge for year	<u>-</u>	<u>176</u>	<u>1,948</u>	<u>2,124</u>
At 31 March 2023	<u>12,395</u>	<u>6,169</u>	<u>12,611</u>	<u>31,175</u>
NET BOOK VALUE				
At 31 March 2023	<u>-</u>	<u>225</u>	<u>1,706</u>	<u>1,931</u>
At 31 March 2022	<u>-</u>	<u>401</u>	<u>3,654</u>	<u>4,055</u>

17. INVESTMENTS

	Listed investment £
MARKET VALUE	
At 1 April 2022	218,568
Revaluations	<u>(17,858)</u>
At 31 March 2023	<u>200,710</u>
NET BOOK VALUE	
At 31 March 2023	<u>200,710</u>
At 31 March 2022	<u>218,568</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022 as restated
	£	£
Trade debtors	765	968
Other debtors	399	1,965
Accrued income	27,233	-
Prepayments	31	29
	<u>28,428</u>	<u>2,962</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022 as restated
	£	£
Trade creditors	240	602
Deferred income	-	15,000
Accrued expenses	6,408	10,234
	<u>6,648</u>	<u>25,836</u>

Deferred income comprises income received for projects which commenced in 2022/23 and to which the charity was not entitled in the 2021/22 year:

	2023	2022 as restated
	£	£
At 1 April	15,000	-
Deferred in the year	-	15,000
Released in the year	(15,000)	-
	<u>-</u>	<u>15,000</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds	2022 as restated Total funds
	£	£	£	£
Fixed assets	1,931	-	1,931	4,055
Investments	200,710	-	200,710	218,568
Current assets	280,451	68,921	349,372	374,650
Current liabilities	(6,648)	-	(6,648)	(25,836)
	<u>476,444</u>	<u>68,921</u>	<u>545,365</u>	<u>571,437</u>

Comparatives for analysis of net assets between funds

	Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Fixed assets	4,055	-	4,055	5,843
Investments	218,568	-	218,568	213,710
Current assets	255,509	119,141	374,650	393,292
Current liabilities	(10,836)	(15,000)	(25,836)	(93,709)
	<u>475,766</u>	<u>104,141</u>	<u>571,437</u>	<u>519,136</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

21. MOVEMENT IN FUNDS

	At 1/4/22 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
General fund	363,241	11,272	374,513
Lord Goold Executry	100,000	-	100,000
Designated Fixed Assets	<u>4,055</u>	<u>(2,124)</u>	<u>1,931</u>
	467,296	9,148	476,444
Restricted funds			
Small PTC Grants	500	918	1,418
FiCS Grants Programme	65,347	(5,880)	59,467
Shaping the Future Together	18,314	(18,314)	-
Joseph Rowntree Foundation	18,834	(10,798)	8,036
EU - Faithful Welcome	<u>1,146</u>	<u>(1,146)</u>	<u>-</u>
	<u>104,141</u>	<u>(35,220)</u>	<u>68,921</u>
TOTAL FUNDS	<u>571,437</u>	<u>(26,072)</u>	<u>545,365</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	102,987	(75,317)	(16,398)	11,272
Designated Fixed Assets	<u>-</u>	<u>(2,124)</u>	<u>-</u>	<u>(2,124)</u>
	102,987	(77,441)	(16,398)	9,148
Restricted funds				
Small PTC Grants	1,307	(389)	-	918
FiCS Grants Programme	26,925	(32,805)	-	(5,880)
Shaping the Future Together	15,000	(33,314)	-	(18,314)
Scottish Government - PTC	25,000	(25,000)	-	-
Joseph Rowntree Foundation	25,000	(35,798)	-	(10,798)
Robertson Trust	38,500	(38,500)	-	-
EU - Faithful Welcome	33,822	(34,968)	-	(1,146)
Standard Life	<u>13,000</u>	<u>(13,000)</u>	<u>-</u>	<u>-</u>
	<u>178,554</u>	<u>(213,774)</u>	<u>-</u>	<u>(35,220)</u>
TOTAL FUNDS	<u>281,541</u>	<u>(291,215)</u>	<u>(16,398)</u>	<u>(26,072)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	331,674	25,144	6,423	363,241
Lord Goold Executry	100,000	-	-	100,000
Designated Fixed Assets	<u>5,843</u>	<u>(3,818)</u>	<u>2,030</u>	<u>4,055</u>
	437,517	21,326	8,453	467,296
Restricted funds				
Small PTC Grants	172	328	-	500
FiCS Grants Programme	64,428	270	649	65,347
Shaping the Future Together	8,500	17,854	(8,040)	18,314
Grants Committed payable in future	49	-	(49)	-
Joseph Rowntree Foundation	-	18,834	-	18,834
EU - Faithful Welcome	-	2,019	(873)	1,146
Standard Life	<u>-</u>	<u>140</u>	<u>(140)</u>	<u>-</u>
	<u>73,149</u>	<u>39,445</u>	<u>(8,453)</u>	<u>104,141</u>
TOTAL FUNDS	<u>510,666</u>	<u>60,771</u>	<u>-</u>	<u>571,437</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	143,011	(124,339)	6,472	25,144
Designated Fixed Assets	<u>-</u>	<u>(3,818)</u>	<u>-</u>	<u>(3,818)</u>
	143,011	(128,157)	6,472	21,326
Restricted funds				
Small PTC Grants	500	(172)	-	328
FiCS Grants Programme	8,140	(7,870)	-	270
Shaping the Future Together	57,000	(39,146)	-	17,854
Scottish Government - PTC	25,000	(25,000)	-	-
Joseph Rowntree Foundation	25,000	(6,166)	-	18,834
Robertson Trust	38,500	(38,500)	-	-
EU - Faithful Welcome	26,676	(24,657)	-	2,019
Standard Life	<u>25,500</u>	<u>(25,360)</u>	<u>-</u>	<u>140</u>
	<u>206,316</u>	<u>(166,871)</u>	<u>-</u>	<u>39,445</u>
TOTAL FUNDS	<u>349,327</u>	<u>(295,028)</u>	<u>6,472</u>	<u>60,771</u>

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

23. PURPOSE OF UNRESTRICTED FUNDS

General Fund - the unrestricted general fund encompasses all development, management, governance and administration costs of the charity. Unrestricted grants are used for our community development work with faith groups and community anchor organisations.

Designated Fixed Asset Fund - the fixed assets fund represents the net book value of the charity's fixed assets, distinguishing their value from the charity's unrestricted funds immediately available for use.

Lord Goold Executry - This capital fund has been designated by the Trustees to provide investment income for the FiCS grants scheme, in line with the preference of the legator.

24. PURPOSE OF RESTRICTED FUNDS

Small Poverty Truth Community Grants - restricted for awarding small grants to local groups

FiCS grants programme - restricted for awarding small grants to local groups

Shaping the Future - grants from a range of donors towards post COVID community development support

Grants committed payable in future - represents grants approved but not yet recognised as a liability

Scottish Government – Poverty Truth Community - funding towards staffing costs

Joseph Rowntree Foundation - a grant to support the development of Poverty Truth Commissions in the UK

Robertson Trust - funding towards staffing costs

EU Asylum, Migration & Integration - Faithful Welcome - funding towards staffing costs and overheads

Standard Life - funding towards PTC staffing cost.