

Grassmarket Community Project

(A company limited by guarantee)

Report and financial statements for the year ended 31 December 2022

**Company registration number SC368576
Scottish Charity number SC041674**

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Reference and administrative information

Company Registration Number	SC368576
Charity Number	SC041674
Trustees	D S Armstrong R J Chappell (Vice Chair) J C Elliot N K Findlay (Treasurer) W A Finlayson (resigned 23 February 2023) Rev Dr R E Frazer (Chairman) G Honeyman (appointed 23 February 2023) J Macdougall H Van Der Ploeg (resigned 12 May 2023) M Johnstone (resigned 24 November 2022)
Key Management Personnel	H Van Der Ploeg Chief Executive appointed 15 May 2023 J Kinross Chief Executive left March 2023 C Jones Social Enterprises Director L Malone – appointed March 2022 J King – appointed March 2022; left June 2022 M Redgrave Service Manager – left March 2022 P O'Bray Service Manager – appointed June 2022
Registered Office	84–86 Candlemaker Row Edinburgh EH1 2QA
Independent Auditor	Henderson Loggie LLP 11-15 Thistle Street Edinburgh EH2 1DF
Bankers	The Co-operative Bank PLC P O Box 200 Skelmersdale WN8 6GH

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Trustees' report

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

The company's objectives and principal activities remain:

- The prevention and relief of poverty and disadvantage in Edinburgh and the Lothians;
- The advancement of education in such ways as may be thought fit, including the creation of training or retraining, work experience and employment opportunities particularly amongst unemployed and socially disadvantaged people;
- To help people to develop their physical, mental and spiritual capacity so that they may grow to full maturity as individuals and members of society;
- The advancement of arts and culture for the benefit of the public at large and/or those who, by reasons of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
- To relieve unemployment in such ways as may be thought fit, including the creation of training, work experience and employment opportunities;
- The advancement of health in such ways as may be thought fit, including the promotion of healthy eating and healthy lifestyles particularly amongst unemployed and socially disadvantaged people;
- To promote, establish, operate and/or support other schemes of a charitable nature.

Running alongside our Social Enterprises, Grassmarket Community Project offers a range of social integration and educational activities for Members as well as practical advice and support aimed at supporting people in crisis or who are destitute reducing social isolation, enhancing life skills, developing confidence and helping people reach their potential.

Grassmarket Community Project (GCP) is a community of individuals who deliver emotional support, services, classes, activities, practical support and enterprising opportunities by taking a strengths-based approach (an Asset Based Community Development approach). We access the skills, expertise and lived experience of our Members. We recognise and form partnerships with agencies, businesses and professionals who share our values, who bring to our community technical knowledge, training, resources and insight from evidence-based approaches. Our staff and volunteer team comprises a compassionate multi-disciplinary team of craftspeople, technicians, social workers, community adult educators, social entrepreneurs and community workers. By creating a trauma-informed environment with a commitment to equality, anti-oppressive practice and social inclusion and by providing a range of practical, creative, physical, enterprising and therapeutic activities in a nourishing group setting, we help people to live rich, fulfilling and healthy lives and achieve their goals.

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Trustees' report

Review, Achievements and performance in 2022

GCP made solid progress in its twelfth year despite a number of challenges. Positive highlights included;

- Designing a new framework for individual 'pastoral' care including: weekly drop in, short term and 8 week one-to-one intensive support, home visits and Volunteer befriending. The services are needs led and the support is flexible and can be longer term or re-visited.
- Opening our new-build Pavilion in the courtyard at the Grassmarket Centre, (giving a 25% increase in capacity for our catering and events social enterprises) – launched by Ricky Ross of Deacon Blue, the BBC presenter.
- Opening our first retail outlet - the Tartan Shop on Candlemaker Row, which generated significant sales from the summer onwards with a team entirely of volunteers.
- Sustaining the 'Coffee Saints' partnership with St Mary's RC Cathedral, as footfall to the neighbouring St James Quarter took time to recover from both the pandemic and the impact of local construction works.

But there were some significant challenges throughout the year including;

- Hangovers from the pandemic, including Government advice to avoid gathering in the winter of 2021/22, continuing to impact on sales from our social enterprises.
- Reductions in Local and National Government support to mitigate the financial impact of the pandemic despite the continuation of that impact into 2022.
- Substantial staffing shortages due to illness in the team, including many cases of COVID; combined with a tightening of the labour market (particularly for catering staff) leading to difficulties with retention and the need for market-led salary increases to attract staff.
- A six-month delay in the completion and opening of the Pavilion - impacting our capacity both in terms of programming as well reducing our income generation potential from Events and our Coffee Saints Café in the Grassmarket centre – effectively delaying the reopening of these significant social enterprises into the third quarter of 2022.
- Reduced footfall from tour groups, even after reopening of the café, due to changes in the profile of local operators of walking tours of the city centre.
- The severe impact of inflation on cost of living which was felt worse by those we support. and with many of our staff also struggling we took very seriously our moral duty to ensure our staff saw their wages increase. We were also very keen to retain our highly committed staff team who saw us through COVID and continue to serve and support the most vulnerable in our city – often beyond the call of duty.

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Trustees' report

Review, Achievements and performance in 2022 (continued)

Staffing issues, recruitment and personnel management occupied much board and senior management time in 2022 as we re-opened some premises after three years closure. However, we opened up a new social enterprise, providing catering services in the Rainy Hall, in University of Edinburgh's School of Divinity. At the start of the year we employed 27 salaried staff and 5 sessional staff and by the end of the year we had 42 salaried staff and 1 sessional staff, with most expansion occurring in our catering and hospitality staff team. Through natural staff turnover we had to recruit for the Finance Manager and Service Manager positions (representing the replacement of 50% of our Senior Management team) and created the new roles of and Marketing & Communications Officer. We had to reduce our sessional staffing by terminating some contracts and moving to delivering activities (mostly classes) using a volunteer plus core-staff led model in order to reduce our operational deficit in the latter half of 2022.

However, in support of our objectives, we were able to establish four new employee roles: a *Woodwork Assistant Manager*, a *Project Worker* (supporting training and young people's work), a *Marketing and Communications Officer*, a *Project Assistant* (supporting the Members programme and administration team) and an *Events Manager*.

We were not alone in our challenges, felt across the charitable and public sectors. The closure or down-sizing of voluntary sector partner agencies and key public services in 2022 caused long waiting lists for vital support and we have seen an increase in the extent and complexity of need and vulnerability both of our existing Members and of new Members accessing our support. GCP has increasingly seemed the only option for many of the most vulnerable people including those with mental illness, dementia and multiple complex needs. We have worked in partnership with the NHS and the University of Edinburgh to reach the most isolated, vulnerable and deeply socially excluded including those at risk of drug related death, those with multiple mental and physical illnesses and people without recourse to public funds.

Despite the unprecedented challenges of 2022, the Trustees, senior management, staff and volunteer team continued to offer high quality and responsive care and support through a broad range of community-led activities, groupwork and classes. By continuing to innovate and consult, we were able to provide a wide range of services and support, meeting people where they are on their journey of recovery and re-connection including: one to one support and counselling, group work, mental health work, practical skills and IT training, creative classes, volunteering opportunities and residential breaks.

As documented in our **2022 Impact Report**, in the 12 months up to 31 Oct 2022 we engaged 474 vulnerable people (Members) in a total of 3,297 hours of positive activity– a 39% increase on 2021 when we supported 327 Members – giving an indication of need across the city as well as recognition of the uniqueness of what we provide and the skills, values and commitment of our staff and volunteer team.

Largely due to the 152 Volunteers we recruited, trained and support we were able to provide a huge programme and range of activities (1,386 classes and groups) in 2022. We served 9,754 free meals to our Members and 1,648 free meals at our Open Door Meal service to people experiencing homelessness or in temporary housing, rough sleeping or with no recourse to public funds. This is an increase of 27% from the 1294 meals we served in 2021, a commitment that we have sustained throughout the life of our charity despite the pandemic and significant staffing issues. We have expanded this service to include: free haircuts from the Social Enterprise Brave Strong Beautiful and with support from Bank of Scotland we have trained-up volunteers and provided a Benefits Support and Welfare Rights Advice service.

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Trustees' report

Review, Achievements and performance in 2022 (continued)

Partnerships remain key in connecting our community with the most vulnerable in society, with GCP accepting referrals from 47 third sector and public sector agencies in the year and our young people's programme working with 39 partner agencies. Partnerships are also key to fundraising and service delivery and we acknowledge these with grateful thanks; some partnerships of particular significance for our charity and for those we support included:

St Marys Catholic Cathedral – Provided us with their church hall and a partnership profit-share café social enterprise which generates income and provides training and work experience for Members and trainees; it also hosted our extensive programme of Older People's engagement work in 2022.

University of Edinburgh – Provided us with their Rainy Hall and a partnership café social enterprise which generates income and provides training and work experience for Members and trainees; delivering in partnership with GCP the CAMAS (Iona Community's) week long break of personal and social development – deepening understanding of people's challenges and developing relationships; assisting with recruitment of Volunteers to support our programmes; integrated our work into their core Community Social Work teaching by engaging with and hearing our Members voices/lived-experience over 10 weeks as well as bringing us Social Work students year round.

Mercat Tours – provided us with free use of their beautiful accommodation for short weekend respite breaks four times in the year (with 35 members benefiting); 346 free places on their educational tours, hiring our events space and auctioning their accommodation and tours for fundraising purposes.

Hub Foundation and Hub South East – funded our Young People's Engagement Officer and programme costs in 2022 which supported 29 young people, 10 of whom completed 32 accredited industry recognised courses; raised £15,000 from their two-yearly golf tournament; provided us with one of our highly skilled Trustees; supported Christmas fundraising and purchased, via their supply chain, signs for their projects and buildings.

John Lewis – funded and have assured us continued funding of our Woodwork Manager for at least 2 years – which enabled us to deliver 1,104 hours of woodwork training to young people; supported us with corporate Volunteers from their stores and, going forward, is providing us with a 6-month fully paid retail intern from their store.

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Review, Achievements and performance in 2022 (continued)

Digital Lifelines NHS programme – enabling us to give out devices freely to people who are digitally excluded; enabled us to train and support 50 homeless or rough sleeping people misusing substances and most at risk of drug related harm or accidental drug related death; and enabled us to provide laptops at our Open Door Meal service. Thanks to this partnership we are using technology and digital engagement to transform the lives of the most vulnerable people in our society and save lives.

The Trustees are very proud that the team and charity were recognised locally, nationally and across the UK with the following awards:

- Scottish Social Enterprise of the Year (one-to-watch)
- Scottish Social Enterprise Champion
- UK Digital Film Programme of the Year
- Peter Cargin Award for Outstanding Contribution by an Individual
- UK Top 100 Women in Social Enterprise – our director Catherine Jones
- SE100UK index of top 100 social enterprises in the UK – Coffee Saints
- Responsible Business of the Year (highly commended) – Chamber of Commerce

For more detailed understanding of our Social Impact in 2022 go to: <https://grassmarket.org/wp-content/uploads/2022/11/Grassmarket-Community-Project-2022-Impact-Report.pdf>

Financial review

The overall net deficit for the year was £56,713 (2021: net income £370,266). Total income amounted to £1,071,578 (2021: £1,098,389) of which £402,725 (2021: £736,705) related to restricted projects, including capital funding towards the Pavilion, and £668,853 (2021: £361,684) related to unrestricted funds.

Donations and grant funding

In Notes 2 and 3 on page 21 of the 'Note to the Financial Statements' we formally identify the income received from Donations and Grant Funding.

Nonetheless the Board wishes to record its very grateful thanks to the many organisations, trusts and individuals who have so generously provided us with the funding that has enabled us to fulfil the many important tasks and objectives, as outlined in this report.

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Risk management

The Board has conducted a review of the major risks to which the charity is exposed, in particular those related to its operations and finances. A revised Risk Register was approved by the Board and regular Health & Safety briefings and operational updates were sent to all Board members throughout the year. The Board is satisfied that systems are in place to mitigate exposure to major risks and consider this on a regular basis. In common with most organisations and businesses in the UK and around the world, the charity has been impacted by the Covid-19 – more so in 2022 as financial support wasn't available to mitigate against staff sickness levels and reduced public use of spaces and associated loss of sales income. The Centre was not fully open until July 2022 due to delays in building works. One staff member had to be made redundant as part of a restructuring and cessation of funding, following a fair consultation process and in accordance with our legal obligations. The cost of living crisis had an impact across the organisation, and the charity made some small payments (from funds secured by the Poverty Alliance) as well as increased salaries in 2022 for our lowest paid staff thanks to some core funders, charitable trusts, who provided us with a financial one-off uplift to aid our work and support us through this crisis.

Although the charity managed to sustain and expand its activities by securing up lifts, grants and additional financial support, enabling it to cope with a substantial reduction in social enterprise income, there remain significant risks in terms of the timing, speed and strength of the recovery and return of the hospitality social enterprises in particular as well as staffing issues to provide the commercial services and meet our customers' needs. A best and worst case scenario budget has been developed to take this into consideration. The Finance sub-group met more regularly to support the Senior Management team and operational staff in making quick decisions in 2022 and continues to meet more frequently as the charity navigates the uncertain levels of Government financial support and the increasingly competitive grant funding culture. It is also anticipated that the marked increase in mental health issues, the negative economic impact and the impact on education will mean the demand for GCP's services will be substantially higher in 2023 and 2024 as we emerge from the cost of living crisis and as the UK Government, Scottish Government and the local authority seek to achieve cuts in budget allocation.

Full management accounts are produced within ten working days following the end of each month. These are routinely presented to the Board and Senior Management team for scrutiny to monitor financial progress and to identify both positive and negative trends at the earliest stage possible. The cashflow forecast, presenting a best and worst case, enables the Board and Senior Management team to assess with a high degree of confidence where the charity could be headed. This focusses energy and resources effectively to avoid any losses of key services, and support and sustain the organisation at a level that will attract funding and allow the existing services to flourish and innovation to new ventures. In addition to inflation and cost of living and cuts to services risks, the principal risks and uncertainties remain as follows:

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Risk description: Governance & Leadership

The Chief Executive Officer (with us for over eight years) resigned at the end of 2022. The post was reviewed widely with all stakeholders included: staff, SMT and Members. The Trustees appointed an interim CEO with substantial Leadership in the third sector experience and the post has been widely advertised and we would hope to have someone in post mid to late Summer 2023. We benefit from a strong Senior Management team and a highly skilled and experienced Board. Interviews were held on 27 March 2023 and the new Chief Executive Officer started in May 2023.

Risk description: Operational

Limitations of the premises and ability of staff to cope with demand – the Chief Executive and Senior Management team regularly review operations to ensure that staffing levels are sufficient and plans are in place to support demand for services. In addition, the charity works in partnership with other organisations to build capacity to meet the needs of the Members, and signposts to agencies in areas where GCP has less resource or expertise.

Risk description: Financial

Loss of social enterprise income or grant funding would result in services being reduced or lost, a lower level of support for our Members and staff redundancies. The Trustees and the Chief Executive work closely with the Senior Management team, especially the Finance Manager and the Fundraiser to monitor continually both funding and the impact of programmes.

Risk Description: Environmental

Non-compliance with Health & Safety or licence requirements – this could result in significant reputational damage to the charity. A detailed Health and Safety policy is in place, managed by the Service Manager (designated person) along with a register of all licences and permits. Those schedules are monitored by the Senior Management team and any breaches or lapses are documented and reported to the Board.

Reserves policy

The total reserves held at the end of the year were £775,561 (2021: £832,274) including restricted funds, not available for general purposes, of £161,161 (2021: £459,409) and unrestricted reserves of £614,400 (2021: £372,865). Included within unrestricted funds is £570,954 of funds tied up in fixed assets leaving unrestricted free reserves of £43,446. The Trustees consider that maintaining unrestricted free reserves of at least three months' regular expenditure, currently around £195,000 is desirable for the ongoing work of the Charity and to cover the payment of staff salaries and creditors as they fall due. The Trustees plan to build up unrestricted free reserves over the coming years to match the reserves policy. Meanwhile, liquidity levels remain strong.

Plans for future periods

We are in the 3rd and final year of our 3 Strategic Business Plan 2020-2023 – a plan very much focused on recovery <https://grassmarket.org/wp-content/uploads/2020/11/Business-Plan-2021-23.pdf> GCP is an innovative outward looking organisation, built on collaboration between Grassmarket Mission and Greyfriars Kirk (as well as four local Churches and local businesses who support us in numerous ways).

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This is how we best meet the needs of our community, through collaboration and partnership.

In 2023 we hope to achieve the following:

- Manage effectively and positively a change of leadership recruiting the best for our Members and building on our successes with support from Grassmarket Mission.
- Continue to deliver a needs-led Member-led innovative programme of activities, opportunities, residential respite breaks and training programmes for the most vulnerable in our city.
- Increase and replenish our unrestricted free general reserves as a 'buffer' to support us against any future crisis or difficulty through social enterprise activity and donations.
- Promote a gradual but steady return to pre-covid 2019 levels of use of building, services and support as well as sales levels – supporting people in particular with anxiety around in-person contact and for those who need it most as well as increasing commercial activity and success in our most lucrative social enterprise - our Events space.
- Sustain the new premises at 58 Candlemaker Row with the assistance of the John Lewis intern including open 'pop up shops' in the workshop space to the public and pop up shops in the John Lewis store— overall achieving significantly higher sales and social enterprise activity in Grassmarket Tartans and working towards securing sufficient funds to employ a Textiles Manager in 2024.
- Build our first seven person Boat in our Granton warehouse (with support of the Edinburgh Airport community fund).
- Run an effective Dry Bar facility weekly (with support of the Baird Trust) aimed at reducing people's use of alcohol as self-mediation to support them with their mental health and social isolation, reducing premature death and helping people abstain or manage more effectively their use of alcohol.
- Support young people into long term employment and training opportunities (with the support of Hub Foundation).
- Work in partnership with Positive Help (HIV & Hepatitis C charity) to deliver effective home support and mental health programme to our Members diagnosed with this or at risk of these physical health conditions.
- Secure continuation funding for our Woodwork Assistant Manager beyond 2023.
- Build up the Coffee Saints café partnership with St Mary's and the older persons engagement programme based there befitting at least 50 older people who are profoundly isolated and vulnerable – as well as proving a training and volunteering opportunity in the café for our Members and Trainees.

Governance, structure and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 16 November 2009 and obtaining charitable status on 30 July 2010. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Establishment

Grassmarket Community Project has been developed in partnership by Edinburgh: Greyfriars Kirk (Church of Scotland) and the Grassmarket Mission. The Grassmarket Mission was founded in 1890 and

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has historically provided a variety of services to homeless people in the Grassmarket area of Edinburgh where they traditionally gathered. The two partners have been working alongside each other since 1982. In 2010, Grassmarket Community Project was formed when the two partners decided to establish a stand-alone charity to take forward the work they had established.

Related parties

As described above, the charity has been developed in partnership by Edinburgh: Greyfriars Kirk (Church of Scotland) and the Grassmarket Mission and are regarded as related parties.

Organisational structure

The board meets five times a year and is responsible for the strategic direction and policy of the charity. Sub-groups and thematic groups involving board members and key personnel meet regularly outside the full board meetings.

A scheme of delegation is in place with the day-to-day responsibility for service delivery and staff management resting with the Chief Executive.

Pay policy

The pay of all staff is reviewed annually and normally adjusted in accordance with average earnings. The organisation is a Living Wage employer.

Policies and procedures for the induction and training of employees

All new members of staff are required to complete an induction covering an introduction to the Grassmarket Community Project; Terms and Conditions of Employment; Worker/Employee Relations; Conduct and Practicalities; Health and Safety and 'The Job' itself. In 2022 all our policies and contracts were reviewed by SENSCOT legal team in terms of compliance and employment law. In addition, all members of staff have continual access to all HR policies and best practice documents via our Website that is regularly updated and key policies are summarised in staff contracts. In 2022 all these policies were reviewed and updated and new policies were created included: Annual Leave policy substantially updated to reflect changing working practices and the needs of the charity, SQA/Learning and Appeals Policies as part of our accreditation as an SQA Centre. These were rolled out to the relevant staff via training to increase our understanding of these areas and how we can better support our staff, volunteers and Members.

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Trustees' report

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also directors for the purposes of company law) are responsible for preparing a directors' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

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

Approved by the directors and signed on their behalf


Richard Frazer - 2023-06-29, 15:47:48 UTC

Rev Dr Richard E Frazer
Trustee

29 June 2023

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Independent auditor's report to the Trustees and Members of Grassmarket Community Project for the year ended 31 December 2022

We have audited the financial statements of Grassmarket Community Project (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 in the annual report, other than the financial statements and our auditor's report thereon. The trustees 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent auditor's report to the Trustees and Members of Grassmarket Community Project for the year ended 31 December 2022 (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Report of the Directors 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 Trustees' Report which includes the Report of the Directors.

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

- adequate 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;
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report, included within the trustee' annual report, and from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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Independent auditor's report to the Trustees and Members of Grassmarket Community Project for the year ended 31 December 2022 (continued)

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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

As part of our planning process:

- We enquired of management the systems and controls the charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following were most relevant: health & safety; employment law (including the Working Time Directive), Data Protection Act 2018, environmental health and compliance with Scottish Charity legislation and the UK Companies Act.
- We considered the incentives and opportunities that exist in the charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of board meetings;
- Reading any correspondence with regulators including OSCR and environmental health;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular depreciation rates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

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

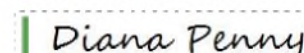
Grassmarket Community Project

(A company limited by guarantee)

Independent auditor's report to the Trustees and Members of Grassmarket Community Project for the year ended 31 December 2022 (continued)

Use of our report

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


Diana Penny – 2023-06-29, 21:29:29 UTC

Diana Penny (Senior Statutory Auditor)
For and on behalf of Henderson Loggie LLP
(Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)
Chartered Accountants
Statutory Auditor
11-15 Thistle Street
Edinburgh
EH2 1DF

Grassmarket Community Project

(A company limited by guarantee)

Statement of financial activities for the year ended 31 December 2022 (Incorporating the income and expenditure account)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and endowments from:							
Donations and legacies	2	96,072	402,725	498,797	127,588	690,639	818,227
Charitable activities	3	566,754	-	566,754	232,414	46,066	278,480
Other trading activities		5,319	-	5,319	1,430	-	1,430
Investments – Bank interest		708	-	708	252	-	252
Total income		668,853	402,725	1,071,578	361,684	736,705	1,098,389
Expenditure on:							
Raising funds	5	23,070	-	23,070	67,054	42,816	109,870
Charitable activities	5	758,622	346,599	1,105,221	380,983	237,270	618,253
Total expenditure		781,692	346,599	1,128,291	448,037	280,086	728,123
Net (expenditure)/income		(112,839)	56,126	(56,713)	(86,353)	456,619	370,266
Transfer between funds		354,374	(354,374)	-	164,520	(164,520)	-
Net movement in funds		241,535	(298,248)	(56,713)	78,167	292,099	370,266
Reconciliation of funds							
Total funds brought forward at 1 January 2022		372,865	459,409	832,274	294,698	167,310	462,008
Total funds carried forward at 31 December 2022		614,400	161,161	775,561	372,865	459,409	832,274

The charity has no recognised gains and losses other than the results for the period as set out above.

All the results of the charity are classified as continuing.

The notes are an integral part of the financial statements.

Grassmarket Community Project

(A company limited by guarantee)

Balance sheet at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	8		577,212		244,611
Current assets					
Stock		10,851		23,222	
Debtors	9	121,893		337,252	
Cash at bank		307,832		323,442	
			440,576	683,916	
Current liabilities					
Creditors: Amounts falling due within one year	10	(115,603)		(96,253)	
Net current assets			324,973		587,663
Total net assets less current liabilities			902,185		832,274
Creditors: amounts falling due after more than one year	11		(126,624)		-
Net assets			775,561		832,274
			=====		=====
Funds					
Restricted funds	12		161,161		459,409
Unrestricted funds			614,400		372,865
Total funds			775,561		832,274
			=====		=====

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

Approved by the Council on 29 June 2023 and signed on its behalf by:


Richard Frazer - 2023-06-29, 15:47:48 UTC

Rev Dr Richard E Frazer
Trustee

Company registration number: SC368576

The notes on pages 19 to 29 form part of these financial statements.

Grassmarket Community Project

(A company limited by guarantee)

Statement of cash flows as at 31 December 2022

	2022 £	2021 £
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	(56,713)	370,266
Adjustments for:		
Depreciation charge	32,126	14,655
Bank interest	(708)	(252)
Decrease/(increase) in debtors	215,359	(295,362)
(Decrease)/increase in creditors	8,314	51,125
Decrease/(increase) in stock	12,371	1,617
Loss on disposal of fixed assets	388	-
Net cash generated by operating activities	211,136	142,049
Cash flows from investing activities		
Bank interest	708	252
Purchase of fixed assets	(365,115)	(169,824)
Net cash used in investing activities	(364,407)	(169,572)
Cash flows from financing activities		
Loan drawdown	187,550	-
Loan repayments	(49,890)	-
Net cash provided by financing activities	137,660	-
Change in cash and cash equivalents in the year	(15,610)	(27,253)
Cash and cash equivalents at the beginning of the year	323,442	350,965
Cash and cash equivalents at end of the year	307,832	323,442

Analysis of changes in net funds

	At start of year £	Cashflows £	At end of year £
Cash	323,442	(15,610)	307,832
Loans falling due within one year	-	(11,036)	(11,036)
Loans falling due in more than one year	-	(126,624)	(126,624)
Total	323,442	(153,270)	170,172

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with historical cost convention and applicable United Kingdom accounting standards, including 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 (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

Grassmarket Community Project constitutes a public benefit entity as defined by FRS102 and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The financial statements are presented in pounds sterling as that is the functional currency of the charitable company rounded to the nearest pound.

Going Concern

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

Income recognition

Income is included in the Statement of Financial Activities when the charity is entitled to the income, there is probability of receipt and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Donations are included in full in the Statement of Financial Activities when there is entitlement; probability of receipt.
- Grants are recognised in the year of award where the conditions for receipt are met. Where there are performance conditions attached to grants and donations, income is recognised when the performance conditions have been met or when the conditions are within the charities control and there is sufficient evidence that they have been met or will be met.
- Donated assets are recognised where the benefit to the Charity is reasonably quantifiable and measurable. The value placed on these services is the estimated price that would be paid in the open market for an equivalent service or facility.
- no amounts are included in the financial statements for services carried out by volunteers, including professional services provided directly by volunteers.
- Income from the sale of goods and services is recognised when goods and services are delivered.
- Investment income is included when receivable.

Expenditure

Expenditure is recognised on an accruals basis.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the Trust's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

1 Accounting policies (continued)

Fixed assets and depreciation

Assets are initially recorded at cost. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Assets under construction	Nil
Workshop and kitchen equipment	20% straight line
Fixtures, fittings and office equipment	33.3% - 50% straight line

The charity has the policy not to capitalise items under £2,000 unless they are part of a larger project.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost for donated items is determined using open market of comparable items at date of donation.

Fund accounting

The nature and purpose of each fund is explained in note 16.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pensions

The Charity contributes to a staff personal pension scheme for members of staff, which are defined contribution schemes. The assets of the scheme are held separately from those of the charity in an independently administered fund. Pension costs charged in the Statement of Financial Activity represent the contributions payable by the charity in the period.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value since these are repayable on demand.

Judgements and estimates

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the charitable company as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

2 Income from donations

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Binks Trust	20,000	50,000	70,000	20,000
Donations - Individuals	31,895		31,895	53,842
Donations - Trusts and organisations	22,157	-	22,157	368,000
Public Sector grants	-	98,058	98,058	101,283
Other Trust income	22,020	219,667	241,687	238,130
Grassmarket Mission	-	35,000	35,000	36,972
Total	96,072	402,725	498,797	818,227

Public sector grants were received as follows; National Lottery Community Fund £41,205, National Lottery Awards For All £6,205, Scottish Government via delivery partners £50,648.

3 Income from charitable activities

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Furniture sales	58,804	-	58,804	62,440
Textile sales	16,733	-	16,733	4,501
Candle sales	414	-	414	1,034
Catering income	481,838	-	481,838	160,429
Other sundry income	8,965	-	8,965	4,010
Coronavirus job retention scheme	-	-	-	46,066
Total	566,754	-	566,754	278,480

4 Net incoming resources

	2022 £	2021 £
This is stated after charging:		
Depreciation	32,126	14,655
Current auditors' remuneration – audit fee	6,275	5,350
Predecessor auditors' remuneration – audit fee	-	(646)
Operating lease charges	32,629	24,393

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

5. Analysis of expenditure

	Raising funds	Charitable activities Social Enterprise £	Member activities £	Total 2022 £	Total 2021 £
Salaries (note 7)	22,990	443,742	186,859	653,591	463,231
Direct costs	80	193,196	43,856	237,132	114,742
	<u>23,070</u>	<u>636,938</u>	<u>230,715</u>	<u>890,723</u>	<u>577,973</u>
Support costs					
Premises costs	-	104,996	24,289	129,285	86,646
Administrative costs	-	33,426	24,668	58,094	37,432
Depreciation	-	28,751	3,376	32,127	14,654
Irrecoverable VAT	-	6,204	2,113	8,317	5,713
Legal fees	-	2,588	882	3,470	1,000
Governance costs:					
Audit fee	-	4,680	1,595	6,275	4,704
	<u>23,070</u>	<u>180,645</u>	<u>56,923</u>	<u>237,568</u>	<u>150,149</u>
	<u>23,070</u>	<u>817,583</u>	<u>287,638</u>	<u>1,128,291</u>	<u>618,253</u>
	=====	=====	=====	=====	=====

Overheads and support costs are allocated to activities based on the percentage of directly allocated costs.

6. Summary analysis of expenditure and related income for activities

The table shows the cost of the main activities and the sources of income that support those activities:

	Fundraising £	Social Enterprise £	Member activities £	Total 2022 £	Total 2021 £
Costs	(23,070)	(817,583)	(287,638)	(1,128,291)	(728,123)
Donations	-	22,374	28,188	50,562	437,352
Charitable activities grants	4,658	216,412	227,075	448,235	426,941
Furniture sales	-	58,804	-	58,804	62,440
Textile and other sales	-	24,304	1,808	26,112	9,545
Catering sales	-	397,698	-	397,698	153,383
Event income	-	88,441	1,018	89,459	8,476
Interest	-	528	180	708	252
	<u>(18,412)</u>	<u>(8,932)</u>	<u>(29,369)</u>	<u>(56,713)</u>	<u>370,266</u>
	=====	=====	=====	=====	=====

The Fundraiser is involved in generating donations and grants reported under both Social Enterprise and Members activities.

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

7 Staff costs

	2022	2021
	£	£
Staff costs comprise:		
Salaries and wages	597,029	422,394
Redundancy costs	1,077	1,225
Social security costs	40,434	27,634
Pension cost – Defined contribution	14,952	10,658
	<hr/>	<hr/>
	653,491	461,911
Self employed sessional staff	100	1,320
	<hr/>	<hr/>
	653,591	463,231
	=====	=====

The average number of staff (excluding sessional staff) during the period was 39 (2021: 28).

The charity considers its key management personnel comprise of the Chief Executive, Social Enterprises Director, the Service Manager, Administration and Finance Managers. The total employment benefits including employer pension contributions of the key management personnel was £154,541 (2021: £130,604). No employee had emoluments of more than £60,000 during either the current or previous year.

The trustees received no remuneration, other benefits or reimbursement of expenses in the current or prior period. Trustee indemnity insurance was in place for the benefit of Trustees throughout the period.

Pensions

The company contributed to an individual personal pension scheme during the year. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,952 (2021 - £10,658). At the year-end, contributions totalling £860 (2021 - £645) were outstanding

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

8 Tangible fixed assets

2022	Assets under construction £	Fixtures, fittings and other equipment £	Workshop equipment £	Leasehold improvements £	Total £
Cost					
At 31 December 2021	191,091	163,459	73,460	-	428,010
Additions	339,531	25,584	-	-	365,115
Disposals	-	(388)	-	-	(388)
Transfer	(530,622)	-	-	530,622	-
At 31 December 2022	-	188,655	73,460	530,622	792,737
Depreciation					
At 1 January 2021	-	119,712	63,687	-	183,399
Charge for the year	-	21,229	3,496	7,401	32,126
Disposals	-	-	-	-	-
At 31 December 2022	-	140,941	67,183	7,401	215,525
Net book value					
At 31 December 2022	-	47,714	6,277	523,221	577,212
At 31 December 2021	191,091	43,747	9,773	-	244,611

9 Debtors : Amounts falling due within one year

	2022 £	2021 £
Trade debtors	96,227	10,353
Prepayments and accrued income	25,666	326,899
	121,893	337,252

10 Creditors : Amounts falling due within one year

	2022 £	2021 £
Trade creditors	41,128	40,299
Other creditors	14,263	11,261
Accruals	17,361	38,269
VAT	31,815	6,424
Loan	11,036	-
	115,603	96,253

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

11 Creditors : Amounts falling due after more than one year

	2022 £	2021 £
Loan repayable:		
In two to five year	51,516	-
In more than five years	75,108	-
	<u>126,624</u>	<u>-</u>
	=====	=====

The Foundation Scotland Loan is being repaid monthly over the ten year period to June 2032 and attracts an interest of 6.1%

12 Funds

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2022 £
2022					
Unrestricted funds					
General fund	123,254	668,853	(750,274)	(7,449)	34,384
Designated fund: Capital fund	244,611	-	(30,480)	356,823	570,954
Designated fund: External	5,000	-	(938)	5,000	9,062
Maintenance and Repairs					
	<u>372,865</u>	<u>668,853</u>	<u>(781,692)</u>	<u>354,374</u>	<u>614,400</u>
Restricted funds					
Furniture fund	20,862	26,387	(20,860)	-	26,389
Members fund	123,323	215,617	(207,808)	-	131,132
Retail fund	-	6,205	(6,205)	-	-
Core fund	6,220	82,385	(85,565)	-	3,040
Covid-19 fund	2,110	584	(2,694)	-	-
Courtyard development fund	306,894	50,000	(1,920)	(354,374)	600
Catering fund	-	21,547	(21,547)	-	-
	<u>459,409</u>	<u>402,725</u>	<u>(346,599)</u>	<u>(354,374)</u>	<u>161,161</u>
Total funds	<u>832,274</u>	<u>1,071,578</u>	<u>(1,128,291)</u>	<u>-</u>	<u>775,561</u>
	=====	=====	=====	=====	=====

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
2021					
Unrestricted funds					
General fund	205,256	361,684	(433,382)	(10,304)	123,254
Designated fund: Capital fund	89,442	-	(14,655)	169,824	244,611
Designated fund: External Maintenance and Repairs	-	-	-	5,000	5,000
	<u>294,698</u>	<u>361,684</u>	<u>(448,037)</u>	<u>164,520</u>	<u>372,865</u>
Restricted funds					
Furniture fund	-	21,840	(978)	-	20,862
Members fund	24,934	179,340	(79,157)	(1,794)	123,323
Catering fund	18,750	57,794	(35,937)	(40,607)	-
Core fund	32,751	80,748	(107,279)	-	6,220
Covid-19 fund	-	58,845	(56,735)	-	2,110
Courtyard development fund	90,875	338,138	-	(122,119)	306,894
	<u>167,310</u>	<u>736,705</u>	<u>(280,086)</u>	<u>(164,520)</u>	<u>459,409</u>
Total funds	<u>462,008</u> =====	<u>1,098,389</u> =====	<u>(728,123)</u> =====	<u>-</u> =====	<u>832,274</u> =====

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

12 Funds (continued)

Designated fund:

Capital fund This fund represents the net book value of the charity's tangible fixed assets.

External maintenance & repairs This fund represents funds set aside by the trustees for the future upkeep of buildings.

Restricted funds:

Furniture fund Funding received to fund the work carried out through the furniture programme. The transfer from the fund in the prior year represents assets purchased.

Members fund Funding received to support the work carried out under the membership programme.

Catering fund Funding received to fund the costs, including salaries, of the catering projects, including the open door meal project, run by the charity. The transfer from the fund in the prior year represents fixed assets purchased.

Core fund Funding received from trusts and grant providers to fund core costs.

Covid-19 fund Funding received to cover costs incurred as a result of the ongoing pandemic, including CJRS support received.

Courtyard development fund Funding received for the capital project to extend the building. The transfer from the fund represents a reallocation of the costs to fixed assets.

Retail fund Funding has been received to fund costs, including salaries, of the tartan/retail social enterprise.

Transfers between funds represent the release of restrictions on capital additions in the year.

13 Analysis of net assets between funds

	Fixed assets £	Net assets £	Total funds £
As at 31 December 2022			
Restricted funds	6,258	154,903	161,161
Unrestricted funds:			
General	-	39,384	39,384
Designated	570,954	4,062	575,016
	<u>577,212</u>	<u>198,349</u>	<u>775,561</u>
	=====	=====	=====

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

13 Analysis of net assets between funds (continued)

	Fixed assets £	Net current assets £	Total funds £
As at 31 December 2021			
Restricted funds	-	459,409	459,409
Unrestricted funds:			
General	-	123,254	123,254
Designated	244,611	5,000	249,611
	<u>244,611</u>	<u>587,663</u>	<u>832,274</u>
	=====	=====	=====

14 Operating lease commitments

As at 31 December 2022 the charity had total commitments under non-cancellable operating leases, payable as follows:

	2022 Land and buildings £	2022 Other £	2021 Land and buildings £	2021 Other £
Within one year	23,317	6,213	22,217	9,116
Within two to five years	50,400	4,062	70,800	9,063
More than five years	185,000	-	195,000	-
	<u>258,717</u>	<u>10,275</u>	<u>288,017</u>	<u>18,179</u>
	=====	=====	=====	=====

15 Related party transactions

Trustees Rev Dr R E Frazer & J C Elliot are also Trustees of Edinburgh: Greyfriars Kirk (Church of Scotland). Grassmarket Community Project paid rent of £12,000 (2021: £18,964) to Edinburgh: Greyfriars Kirk (Church of Scotland) and recharged café sales of £nil (2021: £380). Grassmarket Community Project received £973 from Edinburgh: Greyfriars Kirk (Church of Scotland) for provision of payroll services (2021: £nil). £348,825 (2021: £88,661) of construction invoices were recharged by Edinburgh: Greyfriars Kirk (Church of Scotland) to Grassmarket Community Project for the construction of the Pavillion project. £6,535 of insurance premiums were recharged to the Grassmarket Community Project by Greyfriars Kirk (Church of Scotland) (2021: £nil). At the period end £4,425 (2021: £1,000) was due to Edinburgh: Greyfriars Kirk (Church of Scotland) and £235 (2021: £235) was due from Edinburgh: Greyfriars Kirk (Church of Scotland).

Trustees Rev Dr R E Frazer & J C Elliot are also Trustees of Greyfriars Charteris Centre SCIO. Grassmarket Community Project received £3,835 (2021: £613) for provision of payroll services and bookkeeping services from Greyfriars Charteris Centre SCIO. Grassmarket Community Project paid £1,200 (2021: £300) to Greyfriars Charteris Centre SCIO for office rental. At the year end £nil (2021: £150) was due to Greyfriars Charteris Centre SCIO and £681 (2021: £489) was due from Greyfriars Charteris Centre SCIO.

Trustee Rev Dr R E Frazer was also a Trustee of Grassmarket Mission in the period. During the year a regular grant of £35,000 (2021: £36,972) was received from Grassmarket Mission. At the year-end there were no outstanding balances between these parties at either year end.

Trustee D S Armstrong was also a Director of Mhscot Workplace Wellbeing CIC in the period. During the year £1,200 of staff training was purchased from Mhscot Workplace Wellbeing CIC. At the year-end there were no outstanding balances between these parties at either year end.

Grassmarket Community Project

(A company limited by guarantee)

Notes to the financial statements (continued)

15 Related party transactions (continued)

Trustee M Johnstone is a member of the Scotland Committee of the National Lottery Communities Fund, in the year a grant of £41,205 was received from the National Lottery Communities Fund. At the year end there were no outstanding balances due from National Lottery Communities Fund

Trustee M Johnstone is a Trustee of Christian Aid, in the year £300 was received from Christian Aid for event catering services. At the year end there were no outstanding balances due from Christian Aid.

Trustee J C Elliot is also a Trustee of Crossreach, in the year £1,000 was received from Crossreach for event catering services. At the year end there were no outstanding balances due from Crossreach.

Trustee J C Elliot is also a Trustee of Scottish Grantmakers SCIO, in the year £276 was received from Scottish Grantmakers SCIO for room hire and catering services. At the year end there were no outstanding balances due from Scottish Grantmakers SCIO

A donation of £70,000 (2021: £25,000) was received from the Binks Trust, of which J C Elliot is a trustee. No amounts are outstanding at the year end

Donations totalling £558 (2021; £416) were received from one (2021; two) trustees.

16 Capital commitments

As at 31 December 2022 the charitable company had committed to £nil (2021: £328,410) of capital expenditure.

17 Company Limited by Guarantee

The members have indicated that they will contribute £1 each in the event of the winding up of the company.

18 Ultimate controlling party

The charitable company is constituted by its Articles of Association and is controlled by its Board of Trustees.