

CREATIVE CARBON SCOTLAND
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

CREATIVE CARBON SCOTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Morag Arnot Mike Bonaventura Gary Stewart (Festivals Edinburgh) Karen Ridgewell Amanda Liddle (Federation of Scottish Theatre) Clare Harris (Scottish Contemporary Art Network) (Appointed 28 February 2019)
Secretary	Amanda Liddle (Federation of Scottish Theatre)
Charity number (Scotland)	SC042687
Registered office	Room 9/50 City Chambers High Street Edinburgh EH1 1YJ
Independent examiner	McFadden Associates Limited 19 Rutland Square Edinburgh EH1 2BB

CREATIVE CARBON SCOTLAND

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CREATIVE CARBON SCOTLAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report and accounts for the year ending 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's 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 (FRS 102)(effective 1 January 2016) – (Charities SORP (FRS 102)).

This period for Creative Carbon Scotland was very busy with the continuation of our successful work supporting Scotland's main arts organisations measuring and reporting their carbon emissions and introducing Carbon Management Planning, as well as the increasingly successful Green Arts Initiative; our work with the Edinburgh Festivals on their engagement of their audiences and artists with environmental sustainability; and our now well-established and growing area of work culture/SHIFT, all described in more detail below.

A series of funding awards made by Creative Scotland, the Scottish Government and the European Union's Creative Europe programme and contracts for services with organisations including SEPA and Creative Scotland demonstrated the growing demand for our work and the confidence placed in us.

2018-19 was the first of three years of Regular Funding from Creative Scotland, enabling us to plan up to 31 March 2021. In July 2018 Creative Europe awarded us €200,00 to lead the innovative Cultural Adaptations project in which we and cultural partners in Dublin, Gothenburg and Ghent work with our local authorities to help cultural organisations develop climate change adaptation strategies and to run 'embedded artist projects' together. The Scottish Government also committed funds to this project, in their second demonstration of their interest in our work.

During the year Creative Scotland recognised the importance of our carbon emissions reduction work by contracting us to run the Carbon Management Planning programme for them. The Scottish Environment Protection Agency and Fife Council contracted us to run Embedded Artist Projects in Aberdeen and Fife whilst our contract with the Scottish Government to work with Bike for Good in documenting the Velocommunities Project in Glasgow began in earnest during this year.

None of the work to date could have taken place without the financial support of Creative Scotland, in-kind support from the City of Edinburgh Council's Culture Service and the very fulsome support of particularly Festivals Edinburgh, but also the Federation of Scottish Theatre and Scottish Contemporary Art Network. We thank our partners for their generous support and look forward to continuing these relationships over the coming year. I would also like to thank my fellow Trustees and our staff who over the year included Amanda Crawford, Mike Elm, Gemma Lawrence, Fiona MacLennan, Caro Overy, Catriona Patterson, Ben Twist and Alexis Woolley; our student work-placements Maddy Jordan and Justyna Ladosz; and our book-keeper Alison Thorburn for their hard and committed work during this busy period.

Objectives and activities

CCS' charitable purposes are:

- a. 'to advance the environmentally sustainable development of culture (including the arts, culture, heritage and science); and
- b. To advance the promotion of environmentally sustainable development by cultural organisations in Scotland.'

'Sustainable development' is defined as 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs'.

CREATIVE CARBON SCOTLAND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

Carbon Reduction and Organisational work

Carbon Reduction Project

This was the third year of mandatory carbon emissions reporting for 117 organisations and marked the end the 2015-18 period of Regular Funding from Creative Scotland. In 2018 emissions data for 2017-18 was submitted in Autumn to Creative Scotland. The quality and completeness of data submitted continued to improve slightly, compared with Autumn 2017 with only light touch support from CCS needed to help 115 RFOs in preparing their reports. Details of the 2016 submission are available on our website here <http://bit.ly/2yaNVjQ>. We were able to access and analyse the emissions returns for 2017-18 and together with data from the previous two years and provided informal feedback to Creative Scotland on the overall progress of the Carbon Reporting over the whole funding period. Significant reductions in overall emissions were reported by the sector as a whole, particularly in the area of Travel. With the start of the new 2018-21 Regular funding from Creative Scotland, our focus moved to helping organisations to fulfil the new, additional requirement of submitting a plan to avoid emissions. Creative Carbon Scotland managed the process for submission of Carbon Management Plans and we offered intensive support to the new and continuing RFOs in the months leading up to submission of the plan. Submitted plans were analysed and summarised. Information was used to feed back to submitting organisations individually and to provide a database of exemplar planned actions which was made available on our website. Detailed information was supplied to Creative Scotland for sharing with the Lead Officers who advise the RFOs, to inform discussion during regular review meetings.

We continued to promote use of our unique web-based tool to track travel related carbon emissions, www.claimexpenses.com. The tool is in continual development and a commercial subscription service was launched to future-proof its development. Free subscriptions could no longer be provided from our core funding so the annual subscription model was extended with a much subsidised rate of £40 offered to all Scottish Arts organisations from January 2019. After that date, existing accounts were suspended until the new subscription was paid. Around 50 users continued to subscribe.

We have embarked on a new project which will take place during the later part of 2019 to promote sustainability in screen production in Scotland and continue to cooperate with BAFTA to explore ways to enhance measures such as the use of the carbon measuring tool ALBERT for the screen industry.

Green Arts Initiative

The Green Arts Initiative continued to grow and develop, with a steady increase in membership throughout the year, and over 225 cultural organisations committed to reducing their environmental impact. Our fourth annual GAI conference, themed 'Culture Change' was held in Edinburgh in November, and was a sold-out event with over 150 attendees. Sessions addressed carbon management, climate change adaptation and national priorities for tackling climate change, with an emphasis on peer-to-peer knowledge sharing, workshops and expertise exchange. The 2018/19 Green Arts Initiative report was produced from data collected from members, and launched on the second annual #GreenArts Day (co-ordinated by Creative Carbon Scotland as a social media celebration of the successful activity of the cultural sector).

CREATIVE CARBON SCOTLAND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Edinburgh Festivals

We continued our strategic work with the Edinburgh Festivals, providing support and advice on specialist knowledge topics (such as the circular economy and reusable cups). In addition to the secondment of Catriona Patterson (0.5FTE from April – October; 0.1FTE October – March) and Amanda Crawford (0.4FTE October – March), we co-hosted a research internship focused on contributing new knowledge to the cultural sector on an emerging topic. Justyna Ladosz was employed part-time for 20 weeks to conduct an exploratory primary- and secondary-research study into impacts and implications of climate change for Edinburgh-based visual arts organisations, with leading participant the Edinburgh Art Festival.

We also designed, developed and hosted a number of initiatives that sought to highlight environmental sustainability, and encourage artists, audiences and staff members to consider the sustainability implications of their behaviour:

- We hosted the 'Sustainability at the Fringe: Reception' as part of the Fringe Central Events Programme
- We contributed to the Fringe World Congress' 'Environmental Sustainability at Temporary Events: How Green Can Fringe Be
- We contributed writing on Festivals and sustainability to the Edinburgh International Festival blog, and The List & Eventbrite

culture/SHIFT

Creative Carbon Scotland's culture/SHIFT programme focuses on harnessing the influencing potential of creative practices and artistic work in tackling the climate crisis and building a better, fairer, more environmentally sustainable society. Over 2018/19 the programme supported three major projects which brought together creative practitioners with partners engaged in carbon reduction, climate adaptation and climate justice, and the development of an online resource to disseminate historic and contemporary examples of 'embedded artist projects' through in depth case studies.

Collaborative projects included supporting the application of theatre and film-making practices within a community focused cycling project in Glasgow (commissioned by Scottish Government, partnering with Bike For Good); integrating participatory art methods in a local authority climate adaptation project in Levenmouth, Fife (commissioned by Adaptation Scotland, partnering with Fife Council); and piloting a creative approach to engaging communities in flood-risk through songwriting (commissioned by SEPA). The outcomes of these projects have been disseminated via creative outputs, blogs, social media campaigns, webinars and at conferences such as Scotland's annual Flood Risk Management Conference.

Green Tease

Six Green Tease events were hosted this year, bringing together creative and sustainability practitioners to build connections between their areas of work, focusing on themes including re-wilding (partnering with Edinburgh Printmakers), sustainable rural development (Creative Arts & Business Network, Scottish Borders), and the role of artistic practices in contributing to active travel projects (Sustrans Active Travel charity). Events had an average audience of 25 participants and were hosted in Edinburgh, Jedburgh, Aberdeen and Glasgow, and a new Arts & Sustainability podcast was launched to support the widening of access to the event and Green Tease network. The programme continues to be an important aspect of Creative Carbon Scotland's engagement with both cultural and climate change sectors in Scotland, supporting the seeding of new projects through the exchange of knowledge, practices and ideas and building of relationships across disciplines and sectors to accelerate action on the climate crisis. More details about past Green Tease events can be found here: <https://www.creativecarbonscotland.com/project/green-tease/>

CREATIVE CARBON SCOTLAND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Structures

In the first quarter of the year preparatory planning took place and initial contact was made with Scotland Funders Forum, VOCAL (the national association for culture and leisure managers in Scotland) and the sector's strategic bodies to scope level of interest in CCS support for them on leadership, communications to their members, networking and training re climate change adaptation and mitigation. Subsequently the Director was invited to speak to YTAS's Managers' Forum and Kenneth Fowler, Creative Scotland, agreed to talk to their Scottish Government sponsor about working with other NDPB and the National Lottery Distributors Group. In the Autumn CCS delivered a workshop for FST (Federation of Scottish Theatre) involving, firstly, training on the basics of adaptation and mitigation and then action planning to enable FST to support the theatre and dance sector in becoming more climate aware and climate active. Activity in the rest of the year included developing plans with YTAS and FST and discussions with Culture Counts.

Communications and Partnerships

Edinburgh Sustainable Development Partnership

CCS Director Ben Twist continued in his role as Vice Chair of the **Edinburgh Sustainable Development Partnership**, led by the City of Edinburgh Council but comprising stakeholders from across the city. The ESDP organised three successful events with high-profile speakers which contributed to the City Council's Community Planning process, prior to the new plan shifting its focus to poverty and equality.

Website and social media

We achieved recognition of the Green Arts Conference on the website of The Herald and one of our projects appeared on the Evening Express online as well as being shared by organisations including the Scottish Environment Protection Agency and the Institute of Environment Management Assessment – the largest body for environmental practitioners in the UK and worldwide. We started "The Arts & Sustainability Podcast", primarily to improve the reach of certain events for those unwilling to travel for environmental or financial reasons. Our second # GreenArts Day in March 2019 showed a deeper level of engagement from the Green Arts community. Our website received on average over 3000 visitors per month, and our following on social media has continued to grow and become more diverse.

Cultural Adaptations project

In summer 2018 CCS secured €200,000 from the Creative Europe programme in partnership with cultural organisations in Dublin (Ireland), Ghent (Belgium) and Gothenburg (Sweden), and the 30-month-long project got under way on 1 October 2018. The four cultural partners are collaborating with local Adaptation partners on culture's role in society's adaptation to climate change, and on the Adaptation issues that cultural organisations need to think about. CCS as lead partner is managing the project and is responsible for accounting for and disbursing the grant to partners. Cultural Adaptations was nominated for a NICE Award by the European Centre for Culture & Creativity in Europe. The Scottish Government is supporting the project with £65,000 in sponsorship for the project conference, to be held in Glasgow in October 2020. More information on the project can be found at <https://www.culturaladaptations.com/>.

Environmental Policy and Impacts

Creative Carbon Scotland has a clear environmental sustainability policy and runs a near paperless office using efficient laptop computers. Our staff work flexibly between various home and small office locations. For 2018-19 this was estimated as 1.5 FTE for home working and as well as 3 FTE in Waverley Court and City Chambers offices run by the City of Edinburgh Council. We have no control over utilities emissions within Waverley Court or City Chambers but have been able to optimise our overall utilities emissions by working in more efficient smaller spaces.

Home Electricity and Heating emissions have again been estimated for 2018-19 using a modified version of Creative Carbon Scotland's Tenant Energy Toolbox which allows calculation of energy use based on hours of work and equipment used.

Waverley Court and City Chambers emissions have been estimated on the same basis as 2017-18 using data provided by the facilities management team for total energy and water use and again based on an approximate use of 3 FTE desks out of a total of 1885 desks.

CREATIVE CARBON SCOTLAND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Waste and landfill are estimated on the same basis as 2017-18 assuming 2 x 4kg bags per month of both landfill and recycling waste are produced by the whole team.

Travel is recorded accurately using claimexpenses.com and includes travel by staff, freelancers and artists who are involved in our work and events. Travel is one of our major environmental impacts and we actively prioritise sustainable transport methods. In 2018-19, we doubled our travel mileage. 100% of captured travel was by public transport but with the inclusion of 3 short haul flights our travel emissions increased by slightly more leading to the decision to use rail transport for all European travel for future projects.

	Tonnes CO2e			
	2018-19	2017-18	2016-17	2015-16
Home Electricity	0.151	0.151	0.175	n/a
Waverley Court Electricity	1.699	1.699	1.366	2.391
Home heating	0.396	0.396	0.396	n/a
Waverley Court Gas	0.551	0.551	0.376	0.658
Waverley Court Water	0.025	0.025	0.017	0.029
Waste to landfill (estimated)	0.048	0.048	0.048	0.048
Recycling (estimated)	0.002	0.002	0.002	0.002
Travel total	2.561	1.067	1.172	2.138
Total annual emissions	5.43	3.79	3.38	5.27

Our total carbon emissions for 2018-19 are 5.43 tonnes CO2e

Financial review

CCS continued to receive financial support from Creative Scotland, becoming for the first time a Regular Funded Organisation with an award under the 2018-2021 programme; along with most other organisations this was standstill funding at £150,000 for each of the three years. In addition CCS continued to receive in-kind support from the City Of Edinburgh Council in the form of desk space and various facilities at City Chambers and at Waverley Court: this support is valued at £12,000 per annum. The SCIO earned income from a range of sources and also received sponsorship towards the GAI Conference costs. We benefited from the Santander Internship scheme to fund our University of Glasgow Work Placement, Justyna Ladosz. Discussions took place with the renewable energy company Good Energy to establish a sponsorship agreement.

The accounts show income of £397,387 and expenditure of £252,529, producing a surplus for the year of £144,858. Of this surplus £27,322 related to unrestricted funds and £117,536 to Restricted funds. The balance of funds at the end of the year was £192,555, of which £117,536 are restricted cash funds. The charity's unrestricted funds therefore total £75,019.

The Trustees reviewed the charity's reserves policy during the year, as the increasing number of staff and their years of service had increased the costs of winding up in the event of a significant drop in funding. The Trustees agreed that the unrestricted reserves should be enough to cover three months' of usual expenditure, allowing for an orderly winding-up or time to raise additional funding. At the beginning of the year the unrestricted reserves were below this level and the Board agreed that the aim should be to ensure that this target was met by the end of the financial year 2019/20. In fact this was achieved by the end of the year 2018/19.

The Trustees assess the major risks to which the charity is exposed at each Board meeting and are satisfied that the systems are in place to mitigate exposure to these risks.

CREATIVE CARBON SCOTLAND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Post year-end events

In April 2019 sponsorship of CCS by renewable energy company Good Energy was launched.

At the first Board meeting of 2019-20 the board of Trustees welcomed three additional Trustees – Ragne Low (climate change and energy policy expert), Lewis Hetherington (playwright and theatre-maker) and Matthew Rate (solving strategic business problems).

The City of Edinburgh Council will no longer be in a position to offer in-kind support and CCS is therefore budgeting for additional accommodation costs, expected to kick in during 2019-20.

Structure, governance and management

Creative Carbon Scotland (CCS) is a single tier Scottish Charitable Incorporated Organisation (SCIO) whose members are all therefore Trustees. Trustees during the period were:

Morag Arnot

Mike Bonaventura

Gary Stewart (Festivals Edinburgh)

Karen Ridgewell

Seonaid Daly (Scottish Contemporary Art Network) (Resigned 31 May 2018)

Amanda Liddle (Federation of Scottish Theatre)

Clare Harris (Scottish Contemporary Art Network) (Appointed 28 February 2019)

Throughout the period, the Board welcomed the participation of Matthew Rate, Head of Strategic Planning within Fujitsu, as part of the leadership development programme he was pursuing through the Foundation for Social Improvement; Matthew is particularly interested in change and in CCS's method of change.

During the year the Board and Director carried out a recruitment process for additional Trustees, based on the previous year's skills audit of the Board, in order to widen the Board's range of skills and ensure the continued development of the charity.

The Board reviews an updated risk register for the SCIO at each Board meeting.

CREATIVE CARBON SCOTLAND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Staffing

- Amanda Crawford was employed from October onwards for two-and-a-half days per week (50% FTE) as Environmental Sustainability Officer, wholly seconded to Festivals Edinburgh.
- Mike Elm was employed as Digital Communications Officer for three days per week (60% FTE). From October onwards he was employed for an additional one day per week to work on the Cultural Adaptations project funded by Creative Europe.
- Gemma Lawrence was employed as full time Culture/SHIFT Projects Producer throughout the year.
- Fiona MacLennan was employed as Carbon Reduction Project Manager for two days per week (40% FTE) to the end of September and one day per week (20% FTE) from 1 October.
- Caro Overy was employed as Carbon Management Planning Officer for two days per week (40% FTE) from September to December 2018.
- Catriona Patterson was employed as Green Arts Project Manager full time throughout the year. Up to October 2018 she was seconded for two-and-a-half days per week (50% FTE) to Festivals Edinburgh as their Environmental Sustainability Officer. From October onwards she continued to spend half a day per week with Festivals Edinburgh and dedicated two days per week to the Cultural Adaptations project funded by Creative Europe.
- The Director Ben Twist was employed for four days per week (80% FTE) throughout the year.
- Alexis Woolley was employed as General Manager for two days per week (40% FTE) throughout the year. From October onwards she was employed for an additional half a day per week to work on the Cultural Adaptations project funded by Creative Europe.

In addition, CCS hosted a University of Glasgow Work Placement, Justyna Ladosz, to research and report on Visual Arts and Adaptation to Climate Change, from September 2018 to January 2019; and Maddy Jordan, a student from the University of Edinburgh's History of Art department, who created a podcast related to the Culture/SHIFT project on creative approaches to engaging flood risk communities in Aberdeen from January to March 2019.

The trustees' report was approved by the Board of Trustees.



.....
Gary Stewart (Festivals Edinburgh)

Trustee

Dated: 8 November 2019

CREATIVE CARBON SCOTLAND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CREATIVE CARBON SCOTLAND

I report on the financial statements of the charity for the year ended 31 March 2019, which are set out on pages 9 to 18.

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, and they 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 our attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the 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 financial statements.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



David G Stewart CA

19 Rutland Square
Edinburgh
EH1 2BB

Dated: 8 November 2019

CREATIVE CARBON SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<u>Income and endowments from:</u>					
Donations and legacies	3	12,830	-	12,830	2,750
Charitable activities	4	224,157	155,993	380,150	184,470
Investments	5	37	-	37	34
Other income	6	4,370	-	4,370	5,848
Total income		<u>241,394</u>	<u>155,993</u>	<u>397,387</u>	<u>193,102</u>
<u>Expenditure on:</u>					
Charitable activities	7	<u>214,072</u>	<u>38,457</u>	<u>252,529</u>	<u>192,362</u>
Net income for the year/ Net movement in funds		27,322	117,536	144,858	740
Fund balances at 1 April 2018		<u>45,705</u>	<u>1,992</u>	<u>47,697</u>	<u>46,957</u>
Fund balances at 31 March 2019		<u><u>73,027</u></u>	<u><u>119,528</u></u>	<u><u>192,555</u></u>	<u><u>47,697</u></u>

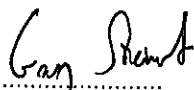
The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

CREATIVE CARBON SCOTLAND
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Current assets					
Trade and other receivables	13	7,945		4,238	
Cash at bank and in hand		216,616		50,632	
		224,561		54,870	
Current liabilities	14	(32,006)		(7,173)	
Net current assets			192,555		47,697
Income funds					
Restricted funds	15		119,528		1,992
Unrestricted funds			73,027		45,705
			192,555		47,697

The financial statements were approved by the Trustees on 8 November 2019



.....
 Gary Stewart (Festivals Edinburgh)
 Trustee

CREATIVE CARBON SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

Creative Carbon Scotland is a Scottish Charitable Incorporated Organisation. The registered office is Room 9/50, City Chambers, High Street, Edinburgh, EH1 1YJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CREATIVE CARBON SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes the costs of supporting Creative Carbon Scotland and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support Creative Carbon Scotland's activities. These costs have been allocated on the basis of time spent by staff on each activity.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	33.33% straight line
Plant and machinery	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CREATIVE CARBON SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

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

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

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

CREATIVE CARBON SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Critical accounting estimates and judgements

In the application of the charity'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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2019	2018
	£	£
Donations and gifts	12,830	1,500
Grants	-	1,250
	<u>12,830</u>	<u>2,750</u>

4 Charitable activities

	Earned Income £	Creative Scotland £	Total 2019 £	Total 2018 £
Sales within charitable activities	50,286	-	50,286	34,470
Performance related grants	-	329,864	329,864	150,000
	<u>50,286</u>	<u>329,864</u>	<u>380,150</u>	<u>184,470</u>
Analysis by fund				
Unrestricted funds	50,286	173,871	224,157	
Restricted funds	-	155,993	155,993	
	<u>50,286</u>	<u>329,864</u>	<u>380,150</u>	
For the year ended 31 March 2018				
Unrestricted funds	<u>34,470</u>	<u>150,000</u>		<u>184,470</u>

CREATIVE CARBON SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Investments

	2019	2018
	£	£
Interest receivable	<u>37</u>	<u>34</u>

6 Other income

	2019	2018
	£	£
Other income	<u>4,370</u>	<u>5,848</u>

7 Charitable activities

	2019	2018
	£	£
Staff costs	156,542	108,338
Depreciation and impairment	-	1,130
Support to the sector	10,990	41,165
Culture/SHIFT projects	32,142	17,662
Strategic Development and Research	577	2,627
Marketing and Communications	1,852	5,025
EUCAN	<u>26,730</u>	-
	228,833	175,947
Share of support costs (see note 8)	22,486	15,455
Share of governance costs (see note 8)	<u>1,210</u>	<u>960</u>
	252,529	192,362
Analysis by fund		
Unrestricted funds	214,072	
Restricted funds	<u>38,457</u>	
	<u>252,529</u>	
For the year ended 31 March 2018		
Unrestricted funds		189,999
Restricted funds		<u>2,363</u>
		<u>192,362</u>

CREATIVE CARBON SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Support costs

	Support costs	Governance costs	2019	2018	Basis of allocation
	£	£	£	£	
Rent	13,860	-	13,860	1,800	
Insurance	578	-	578	513	
Repairs and maintenance	1,602	-	1,602	8,076	
Postage & stationery	-	-	-	14	
Travel expenses	1,551	-	1,551	523	
Consultancy fees	3,860	-	3,860	3,790	
Sundry expenses	215	-	215	225	
Subscriptions	742	-	742	435	
Bank charges	78	-	78	79	
Accountancy	-	960	960	960	Governance
Legal and professional	-	250	250	-	Governance
	<u>22,486</u>	<u>1,210</u>	<u>23,696</u>	<u>16,415</u>	
Analysed between Charitable activities	<u>22,486</u>	<u>1,210</u>	<u>23,696</u>	<u>16,415</u>	

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

Number of employees

The average monthly number employees during the year was:

	2019	2018
	Number	Number
	<u>8</u>	<u>6</u>
Employment costs	2019	2018
	£	£
Wages and salaries	144,228	97,290
Social security costs	8,665	7,535
Other pension costs	3,649	3,513
	<u>156,542</u>	<u>108,338</u>

CREATIVE CARBON SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Key management personnel

The key management personnel of the charity, comprise the Director. The total employee benefits of the key management personnel of the charity were £36,909 (2018: £33,244).

12	Financial instruments	2019 £	2018 £
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	<u>7,616</u>	<u>3,495</u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	<u>28,811</u>	<u>4,637</u>
13	Trade and other receivables	2019	2018
		£	£
	Amounts falling due within one year:		
	Trade receivables	7,611	3,493
	Other receivables	5	2
	Prepayments and accrued income	<u>329</u>	<u>743</u>
		<u>7,945</u>	<u>4,238</u>
14	Current liabilities	2019	2018
		£	£
	Other taxation and social security	3,195	2,536
	Trade payables	12,106	3,242
	Other payables	9,388	406
	Accruals and deferred income	<u>7,317</u>	<u>989</u>
		<u>32,006</u>	<u>7,173</u>

CREATIVE CARBON SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2018	Movement in funds		Balance at 31 March 2019
		Incoming resources	Resources expended	
	£	£	£	£
EUCAN	-	123,493	(38,457)	85,036
Scottish Government	-	32,500	-	32,500
City of Edinburgh Council	1,992	-	-	1,992
	<u>1,992</u>	<u>155,993</u>	<u>(38,457)</u>	<u>119,528</u>

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2019 are represented by:			
Current assets/(liabilities)	73,027	119,528	192,555
	<u>73,027</u>	<u>119,528</u>	<u>192,555</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).

