

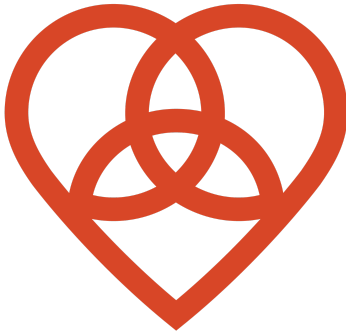
# Community Gift Exchange SCIO

## Trustees' Annual Report

Nov 2019 to Oct 2020



## Charity contact information



Community Gift Exchange

Scottish Charity Number: SC047814

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## Charity Trustees

1. Alan Priestnall - former pilot, leadership trainer and lean consultant.
2. Linda Stefani - former training and assessment company director.
3. Ian Rankin - architect and property manager.
4. Alison Smith - private hospital chief executive.



## Objectives and activities

Community Gift Exchange was set up with the following aims (our charitable purposes):

1. to contribute to the prevention and relief of poverty and the social and professional integration of disabled and disadvantaged people through the provision of employability services and person-centred practical support.
2. the advancement of education through delivery of vocational and life skills training, where applicable, leading to recognised qualifications;

3. the advancement of religion through demonstrating and facilitating participation in a Christian model of care including compassionate social outreach and good stewardship of the environment;

4. to promote the advancement of health - mental, physical and spiritual - through the provision of occupational opportunity and person-centred holistic support.

5. to advance citizenship and community development: promoting civic responsibility and volunteering; and urban and rural regeneration by providing facilities, training, and support to businesses and unemployed people, and amenities and recreational facilities for use by the public.

To achieve these aims, CGX core volunteer and paid staff develop, implement and engage volunteers in practical work skills and experience workshops, presently collecting, preparing, selling and distributing donated bicycles, instruments, furniture and electrical appliances.

The paid staff train volunteer supervisors who work alongside volunteer trainees to help them overcome barriers to employment. Trainees receive individual personal development coaching and support to be released into sustainable employment with a fair work employer or further training.

For some trainees, CGX is a positive destination, providing workplace opportunities, companionship and other practical support including participation in free shared meals and discounted home goods. In addition to the workshops, CGX volunteers and trainees participate in the running of its logistics service and charity retail shop.





## **Structure, governance and management**

### **Type of governing document**

Community Gift Exchange SCIO's governing document is its Constitution. This document is based on the SCVO Model SCIO Constitution.

### **Trustee recruitment and appointment**

CGX Trustees are nominated by members of the Board of Trustees on the basis of their fit for the general or specific role as member and director and potential office bearer of CGX SCIO.

With agreement of the Board, the candidate will be invited to visit and observe the CGX charitable activity and be introduced to the Vision and Purposes of the Charity. Should they be interested in becoming a Trustee they attend a Board Meeting, giving an account of how they could participate in realising the charity's purposes through applying their skills and experience. The Board then passes a resolution by majority vote on whether and when to appoint the person.

No external organisations are allowed to appoint CGX charity trustees. There were no new trustees appointed during this Financial Year.

## **Achievements and performance**

This Financial Year was a turbulent period for Community Gift Exchange, significantly shaped by the spread and impact of the global COVID-19 coronavirus pandemic.

Following recruitment of our first paid Restoration Works Manager, the first quarter of the year was a period of consolidation, structuring our cycle and furniture workshops into morning and afternoon sessions to better manage the supervision and skills recording of volunteers and trainees. A typical day involved the workshop managers coaching one or two regular volunteers, together supervising a couple of workshop trainees. Two retail volunteers kept what had grown into a furniture superstore open for sales to the public, supervising one or two retail

trainees referred by Fairstart Scotland staff. During this period, a dozen CGX volunteers provided opportunities for a further dozen trainees, a mix of job-seekers, people in recovery, and people with barriers to learning. On a typical day, six to eight participants enjoyed a shared meal, some 360 covers funded by the proceeds of the community endeavor, contributing nutritional benefit and social wellbeing. We enjoyed showing appreciation for some of our volunteers at an in-house Christmas Lunch and to others as guests at our second CGX coordinated Ayrshire Fiddle Orchestra Hogmanay Party. Breaking even, the event did not prove an effective fundraiser in itself but it did generate awareness of our charity and subsequent donations from guests living in our area. During this period, two expert volunteers assisted us through the evidence gathering and policy development process required for the successful award of Volunteer Friendly status by Volunteer Scotland.

The second and much of the third quarter of the year was severely disrupted by the COVID-19 pandemic, initial attempts at continuing activity with countermeasures soon superseded by the nationally imposed Lockdown, including the closure of all non-essential workplaces and shops. Volunteers were informed that CGX activities were suspended and the three paid members of staff were put on 'furlough', during which they received 80% of their pay funded by the UK Government Coronavirus Job Retention Scheme Grant in return for some individual training carried out at home. The CGX Managing Director continued to work throughout this period on the essential administration required to financially sustain the charity, including one successful application to fund our Cycle Works Manager's participation in the Free Loan Bikes for Key-Workers Scheme administered by Cycling UK.

Given the Lockdown closure of our Kyle Centre Shopping Mall base, we opened a pop-up bike workshop in a High Street facing part of the Tsukure Hub CIC. Working throughout July with a couple of volunteers, our Cycle Works Manager issued ten free loan bikes to key-workers, sold a further fifteen serviced and affordable pre-owned bikes to the general public and carried out the servicing of ten bikes

operated by Police Scotland, thereby enabling their officers to patrol the town on two wheels instead of by car.



With the first national Lockdown easing, the final quarter of the year involved the preparations required to safely re-engage our supervisory volunteers in reopening the Charity Shop and restoring our primary income stream. Anticipating a surge in donations, our Board leased a further disused Kyle Centre retail unit as a 'Second Chance' furniture outlet and engaged a number of young people as paid temporary logistics staff prior to commencement of their further education.

Contributing to the effort to counter the upsurge in Youth Employment - especially amongst those with barriers to employment - we successfully applied for and recruited a Logistics Porter under the Community Jobs Scotland Scheme. Releasing two of our Managers to the next stage of their chosen careers, we also supported the third manager to start up their own business as a sole-trader. Meanwhile, the Board successfully recruited an Administration and Training Manager to help achieve Revolve Certification - Scotland's reuse retail standard - and develop the CGX skills training offer.

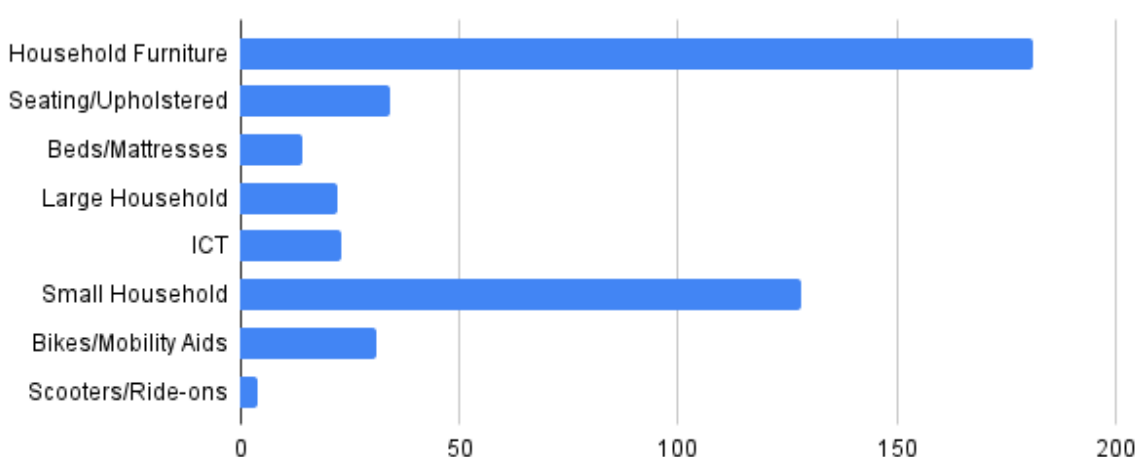
The first-floor of the newly leased unit provided a good space in which to set up CGX Appliance Works, a workshop in which volunteers can learn the skills of testing and repairing portable domestic electrical appliances from our CGX incubated freelance contractor. Records show that over 1000 electrical items and appliances have been tested for use by CGX or for resale at affordable prices to the general public.

## Environmental Impact.

Although re-use sales were disrupted by the pandemic Lockdown, CGX still sold 776 essential household items as categorised by the Reuse Network. This has helped an estimated 500 local households, saving approximately £60,000 compared to new purchases, 24,000 kg of CO2 equivalent greenhouse gases from entering the atmosphere, and a further 24,000 kg of material diverted from landfill. Overall, some 1950 individual items were reused with a significant number of further items donated for future workshop projects and sales.

### CGX Reuse Sales Data

Reuse Network Household Item Categories

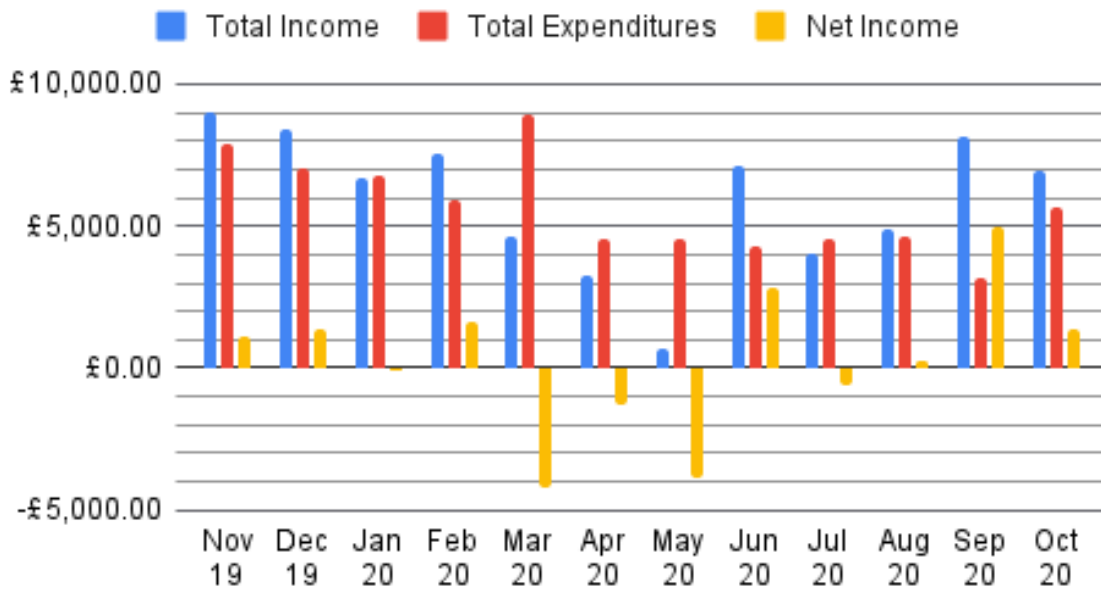


## Financial review

The Charity Receipts and Payments Accounts are shown at Appendix 1. By way of a summary, the following chart shows the cash flow over the Financial Year, clearly showing the disruption caused by the COVID-19 pandemic and national Lockdown, relieved only by furloughing our staff under the HMRC's Coronavirus Job Retention Scheme. It was encouraging that sales income recovered following reopening, even with COVID protection measures implemented, including distancing, hand sanitising and mask wearing, and even more so in that it relied almost entirely on our team of volunteers!



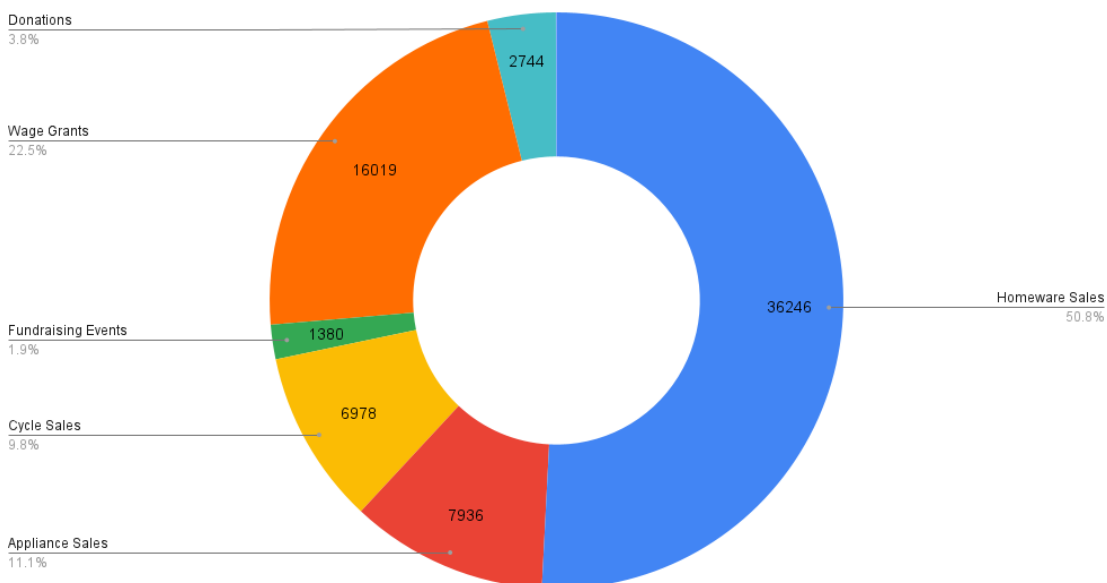
## Cashflow FY19-20



The income chart shows the extent of the charity's social enterprise business model, with the proportion of sales income being higher still were it not for the Coronavirus Job Retention Scheme Grants. Of these sales, the homeware, and particularly furniture, provided the largest income stream, followed by electrical appliances and then cycles.

## Income FY19-20

Total Income £71328



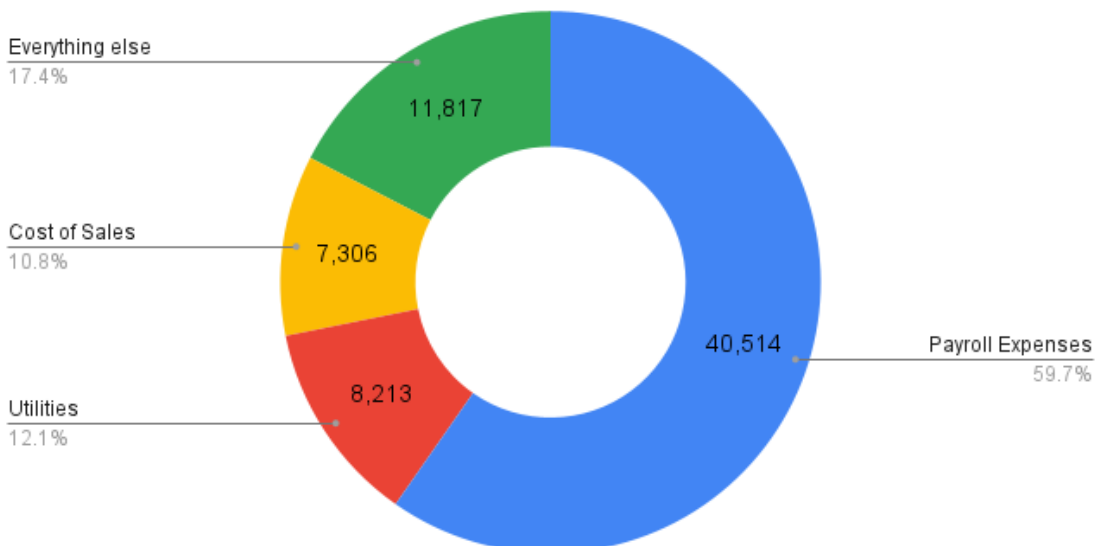
Although the cycleworks provides significant skills training, opportunities for inclusion and environmental benefit, it does not yet yield the sufficient margins required to fully fund its paid workshop manager. Although cash donations are relatively small, all CGX sales are primary purpose trading, involving volunteers and trainees in the processing and sales of 100% donated goods.

The expenditure chart shows the significant proportion of funds invested in sustaining workshop managers to lead the volunteer and trainee activity in the CGX Restoration, Cycle and Logistics Works, supported by a capable administration manager and everyday logistics porter. Cost of sales includes providing replacement tools and parts consumed in the cycle refurbishments and furniture restorations.

‘Everything else’ includes the funds spent on volunteer meals, work clothing and personal protective equipment, and travel, as well as administrative overheads. Our Utilities expenditure includes only the waste water and electricity charges yet are still significant. We are aware that future longer-term CGX premises will incur significant rental or mortgage payments and increased maintenance costs.

### Expenditure FY19-20

Total Expenditure: £67,850



## Statement of the charity's policy on reserves

The Board's policy to hold three months' reserves proved invaluable during the COVID-19 Lockdown. During this period of significant interruption to fundraising - including a complete cessation of trading income - our insurers exempted losses due to the pandemic from business continuity insurance claims and we were not eligible for shop closure payments due to the large size of our retail unit.

During Lockdown OSCR provided reassurance that the pandemic was an appropriate time to draw on Charity reserves. CGX avoided missing payments to those suppliers continuing to send invoices, however, compulsory redundancies were only averted through claiming the Coronavirus Job Retention Scheme grants from HMRC.

Three months' reserves remains a desired level, but needs to include all unavoidable costs and not only wages. Given the recovery in sales and resignations of our three permanent employees, we ended the financial year with reserves restored. However, with the intent to recruit successor staff during the next financial year, the reserve figure will need to increase further.

## Donated facilities and services

CGX benefits from rent and service charge-free retail units provided by the owner and management of The Kyle Shopping Centre. This arrangement is subject to commencement of Centre redevelopment plans so the sourcing and financing of suitable alternative premises is an ongoing priority task. CGX also benefits from the pro bono services of our solicitor, independent examiner, website developer and instrument specialists; a group of volunteers willing to exchange their skills and knowledge for the benefit of other members of their wider community in Ayr.

## Future plans

This Financial Year ended with a renewed confidence in demand for our reuse products and strong supply of goods from donors. Hence, we are confident that we will be able to sustain the wages of a

successor team of workshop supervisors tasked with developing recognised employability and job skills training that will better equip trainees for their future workplaces. These supervisors will also contribute to our achieving Revolve accreditation to provide customer assurance of good practice throughout our reuse retail activity.

The strategy for the next year is to prove a sufficiently high level of income generation to secure the social investment required to purchase a long-term, well equipped, Re-use Hub that provides excellent workshop skills training and experience for a diverse range of participants. The increase in unemployment caused by the economic crisis, particularly amongst younger people and especially those with barriers to employment, increases the need for our employability support, skills training and work experience opportunities. Our re-use activity will continue to contribute to the nation-wide intent to 'build back better' with emphasis on a more sustainable environmental economy. Our seeking to include people with diverse capabilities among our paid staff, volunteers and trainees is an inherent part of growing a fair and flourishing community in the heart of Ayrshire.

## Declaration

Signed on behalf of the charity trustees:

*Al Priestnall*

Print name

Alan Priestnall

Designation

Trustee and Director

Date

26 Jul 2021