

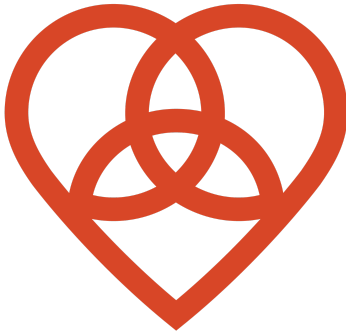
Community Gift Exchange SCIO

Trustees' Annual Report

Nov 2020 to Oct 2021



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.

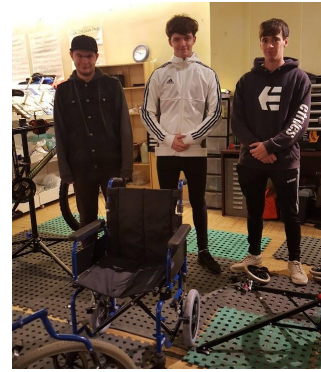
5. to advance citizenship and community development: promoting civic responsibility and volunteering; and urban and rural regeneration by providing facilities, training, and support to businesses and unemployed people, and amenities and recreational facilities for use by the public.

6. to advance environmental protection and improvement, and the public understanding of sustainable development, through managing and promoting social enterprise projects that intentionally demonstrate low carbon-emission, low waste, and low pollution circular economy principles and practice, including repairing and reusing, repurposing or recycling material goods, and sustainable development projects that improve healthy access to open and green spaces.

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 shops.



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 second period of significant disruption by the global COVID-19 Coronavirus pandemic to personal, organisational and national everyday life. It was a year of 'lockdowns' and recoveries.

During our first quarter, our team - comprising our volunteer Managing Director, paid Administration Manager, Community Jobs Scotland Logistics Porter, freelance PAT Test and Restoration Works Supervisor/Janitor, and volunteer Cycle Works Assistant, assisted by a half dozen regular volunteers - continued to recover our workshop activities and sales income through our two homeware stores located in Ayr's Kyle Shopping Centre. Pre-Christmas trading income stopped during a two week national 'lockdown' in Nov/Dec, stores reopening for just a further two weeks before closing for Christmas and an indefinite national lockdown imposed on Boxing Day. There was no opportunity to host our annual CGX and Ayrshire Fiddle Orchestra Hogmanay Party this year!



2022 commenced a further period of home-working and paid 'furlough' for our Logistics team, and a stand-down for all other non-exec staff and volunteers. Our Managing Director and Administration Manager practised the new ways of working via video-conferencing throughout this period: securing Government funded COVID related grants to sustain paid staff wages; and to recruit a cadre of unemployed young people through the DWP 'Kick Start' scheme - comprising six months of 25hrs per week paid work experience and skills training placements. We also negotiated a second six month period of Logistics experience for our Community Jobs Scotland scheme Porter. We were also able to arrange a final CJS placement for a further young person as a Logistics Porter before the scheme closed to further trainees (SCVO having administered 10,000 CJS placements with Third Sector organisations over the previous decade).

Bolstering our resilience during this period, our Managing Director continued to receive training and support from Social Investment Scotland's 'Ambitions' programme, e-Bay's charity trader training and a 'Skills for Growth' staff training review by Social Development Scotland. Preparations for an



eventual reopening of stores included applications for Local Authority managed Shop-front Improvement Grants however, these store specific plans had to be suspended with the announcement by our landlord that they would not be reopening the Kyle Shopping Centre malls to the public at the end of the Covid lockdown.



Quarter two was an intense period of seeking new premises and recruiting staff so that we could resume activities at the start of Apr 22. We negotiated an affordable lease for the use of a recently vacated High Street facing retail unit, and our continued use of our Kyle Centre units including our Admin Works, inclusion workshops, staff canteen, ware-housing and access to our furniture store - all areas directly accessible from external doors other than the main mall entrances.

We advertised and interviewed candidates for supervisory roles and recruited a new Cycle Works Supervisor. We were pleased to be able to progress our young volunteer Cycle Assistant into paid work through the Kick Start scheme. No longer able to use our original unit as our Cycle Works, our new team set up a temporary workshop with essential tools and donated bikes in a more accessible area. Their employment commenced with a period of accredited 'Velotech' bike



maintenance training with an external provider and continued with a month-long period of consolidation training by our former Cycle Works Supervisor (now a qualified primary school teacher who establishes extra-curricular bike projects in his schools). Through the remainder of the Financial Year, they engaged a further six volunteers - including three young people working towards their Duke of Edinburgh Award - in 230 hours of preparing safe and serviceable cycles for sale to the public at affordable prices. The Cycle team also took the Prestwick Beach Wheelchair for a test ride, however they concluded that some design changes were required before it could be loaned to visitors.

Benefitting from Zero Waste Scotland's reuse 'Revolve' retail training, our three Kick Start Retail Assistants and newly recruited Admin Assistant were empowered to plan and implement the set up of our new High Street homeware shop 'Reusables by CGX' and a new Online Retail Works on its first floor. A few weeks after lifting of the COVID 'non-essential retail' lockdown our team of Kick Starters, Trustees, supportive musicians and returning regular volunteers



enjoyed a celebratory first day opening event, all wearing facemasks but realising the challenge of maintaining 2m 'social distance' at all times. Due to our 'close contact' earlier in the week with a team member who tested positive for

Coronavirus, the whole team had to go into isolation and the shop had to immediately close for the next week. Taking this as a training opportunity, the newly formed Works teams learned how to work collaboratively online using our 'not-for-profit' licence to use Google's Workspace internet platform.

Nationally, many senior aged volunteers and those with long-term health conditions were cautious about returning to volunteer with



charities, however, we had to use a 'COVID-Age' risk assessment to convince a number of our determined volunteers that they should work in our stock sorting area rather than in public facing roles in the shop. Throughout the year, we appreciated 1660 hours of help by our eight Retail Works volunteers selling over 3000 items of homeware. This included selling a significantly reduced amount of furniture through guided tours of our former retail unit - now part-sorting space and part-Cycle Works but primarily maintained

as a furniture showroom and stockroom throughout the second half of the year.

The third quarter involved weekly learning logs and regular personal development plan reviews for the Kick Starters by our CGX 'incubated' freelance Job Coach. Five volunteers returned to the creative upcycling of furniture in our Restoration Works, vacating our 'inside the Mall' workspace and enjoying much of their creative 400 hours in the open air car park adjacent to our indoor workshop. Meanwhile, the Cycle Works team had to remain in their temporary location whilst waiting for completion of a licence to occupy a second former High Street retail unit - which finally occurred at the very end of this Financial Year. Proposals submitted to the landlords of large vacant units that we could use as alternative premises for our



A photograph showing four individuals standing in a line in front of a brick building. They are all wearing black uniforms with a red circular logo on the chest and face coverings. The person on the far left is wearing a blue hooded jacket. The person second from the left is wearing a black vest over a light-colored long-sleeved shirt. The person third from the left is wearing a black jacket. The person on the far right is an older woman with white hair, wearing a black jacket and a light blue face mask. The building behind them has a blue sign above the entrance that reads 'THE KYLE'. The entrance has glass doors and windows. There is some debris on the ground in front of the building.

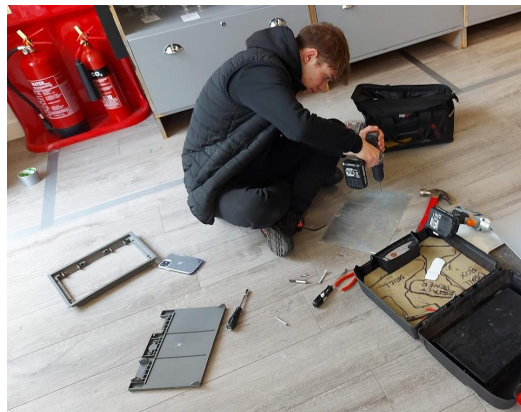
Social Impact

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An adult job-seeking trainee who we engaged in part-time paid work and subsequently gained employment with South Ayrshire Council wrote,

“CGX gave me a chance to prove myself as a valuable member of society again, and I will be eternally grateful for that.”

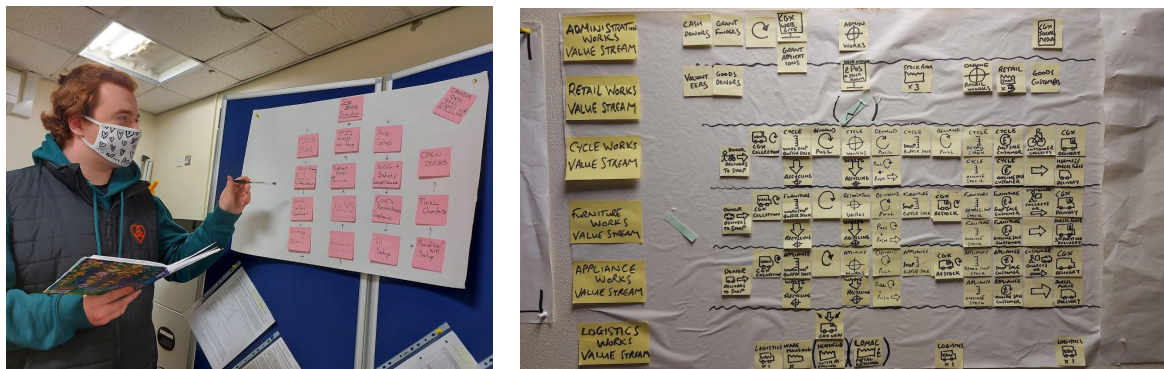
Although employment of people with barriers to employment is not deemed charitable in itself, supported fair work is recognised as requiring additional supervision and does directly contribute to overcoming the poverty associated with long-term unemployment. Employability training - supporting people in their journey towards and into work - can be deemed charitable activity when carried out by a third sector organisation, especially when providing opportunities beyond those available through state-funded statutory provision. On securing a second six months with CGX Logistics Works, our



Community Job Scotland funded Porter reported feeling more positive about his readiness for future work, identified construction as a future career aspiration and subsequently received one-to-one Construction Site Core Skills knowledge coaching by our CSCS Card holding Job Coach. In addition to role specific skills, all CGX Trainees receive core skills training in Health and Safety at Work, customer services, charity retail operations, workplace ICT, continuous improvement, and Volunteer Friendly employee policy and practice including confidence in supervising people with disabilities and barriers to learning.

Eligibility for the DWP Kick Start Scheme included being a young person with disadvantages in the open labour marketplace: for some,

these might be long-term barriers to employment; for others, this was simply no former work experience or a period of unemployment. CGX interviewed many candidates for each of our six-month Kick Start funded paid work experience placements and selected a cadre of five young people, providing CV and interview feedback for the unsuccessful applicants. This group had an extended induction and skills training period, learning from charity retail standards organisation Revolve's expert consultant about 'The Customer Journey,' and retail specific skills such as store space management and visual merchandising. Needing to adapt and develop our pre-lockdown processes, they also received Lean Awareness and Continuous



Improvement training from our in-house Lean Coach. Regular team meetings and one-to-one coaching sessions supported their professional development into increasingly confident workplace operators and supervisors. Successful in reactivating the CGX retail trading enterprises and regenerating the associated income, the Board was delighted to offer all five young people CGX funded Supervisory roles, two jobs receiving partial support through South Ayrshire Council's Employment Retention Initiative (ERI).

Not everyone participating at CGX is expected to work or is not yet ready for work due to long-term physical or mental health conditions. However, it is our experience that some people do not want to be excluded from the work-place and appreciate being included in our activities as volunteers. A volunteer in recovery from alcohol misuse who worked with us as a logistics porter said to us,

“Thank you for giving me the opportunities you did. Thank you for giving me the time of day.”

COVID prevention measures prevented the reintroduction of catered shared meals in our staff canteen however, provisions were supplied from our joint endeavour for volunteers to prepare their own light lunches. Enjoying 468 lunch-meals and working together in small numbers helped counter the enforced periods of social isolation during the lockdowns and mandatory socialising restrictions imposed

throughout the whole year. A CGX Volunteer of state retirement age told us,



“I used to sit at home feeling depressed but coming to CGX gives me something to do and I like meeting the people here.”

During this period of COVID-19 pandemic related business failures or rationalisations and the expectation of rising unemployment and more constrained household budgets, an increasingly significant form of social impact by Charity Retailers is the financial savings made buying more affordable used goods instead of buying new goods, often with expensive debt finance that can put individuals and relationships under considerable stress. Although we were only able to open our shops for seven months of the year, we still helped Ayrshire householders save over £30,000 during this Financial Year, bringing our total since March 2018 to £180,000.



Following on from the ‘pop-up’ cycle shop that we set up in Ayr’s High Street in July 2020, we received a batch of surplus traditional pedal cycles from Ayr Active Travel Hub to issue to Key Workers, potentially enabling them to avoid the risk

of catching COVID-19 travelling by public transport. We serviced and

loaned four of these bikes to Key Workers during the Lockdown period.

Environmental Impact.

The Board of Trustees who founded CGX in 2016/2017 included making a positive environmental impact under the charitable purpose 'Advancement of Religion' stating the intent to demonstrate a Christian model of care including 'good stewardship of the environment.' However, as the environmental impact of our reuse activity developed and communicating this became increasingly significant, the Board sought and obtained the approval by OSCR to add the charitable purpose 'to advance environmental protection and improvement', to our Constitution - which was officially amended by a Resolution of the Members on 15 Apr 2022.



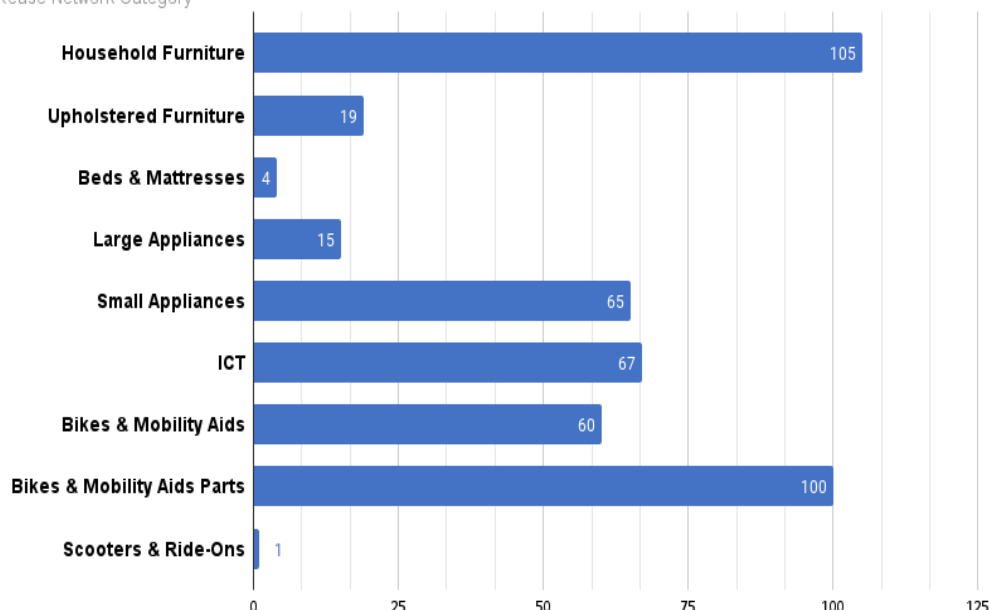
Although the national 'non-essential' retail COVID-19 'Lockdowns' restricted our trading of reuse goods during this Financial Year to six weeks from our two Kyle Centre stores and just under six months from our High Street shop, overall, we sold

over 3200 individual items for reuse and continued to collect a restricted number of further items donated for future workshop projects and sales.

The following chart categorises the 436 essential household items used for environmental data by the Reuse Network. These prevented an estimated 11,500 kg of CO2 equivalent greenhouse gases from entering the atmosphere, and diverted a further 19,000 kg of material from landfill.

CGX Reuse Sales Data Nov 20 - Oct 21

Reuse Network Category



Financial review

The Charity Receipts and Payments Accounts are shown at Appendix 1. This was a second Financial Year significantly disrupted by the COVID-19 pandemic: nationally imposed Lockdown measures closed all 'non-essential' retail shops for two weeks in Nov 20 and over four months between Dec 20 and Apr 20. Although we might have continued selling and repairing bikes as 'essential retail' - providing key workers alternatives to public transport - indoor shopping Malls were closed to the public so our trading income reduced to near zero. This year, the UK Government introduced a more comprehensive COVID-19 Strategic Grant Fund that compensated businesses £3000 for each month of lost trading per retail unit. Administered by the Local Authorities, this was back-dated to include the Nov 20 Lockdown and ended with a reopening grant in Apr 21. This provided sufficient funds to continue to pay for ongoing business overheads, such as utility bills, pay our Administration Manager to assist our Managing Director to sustain essential administrative tasks and submit applications to recruit Works Assistants under the newly announced DWP Kick Start Scheme. It also provided funds to back the

recruitment of a Retail Manager and Cycle Works Supervisor until their activity recovered sales income. During this period of administrative activity, our Porter was supported to study at home whilst 'furloughed' under the HMRC's Coronavirus Job Retention Scheme.

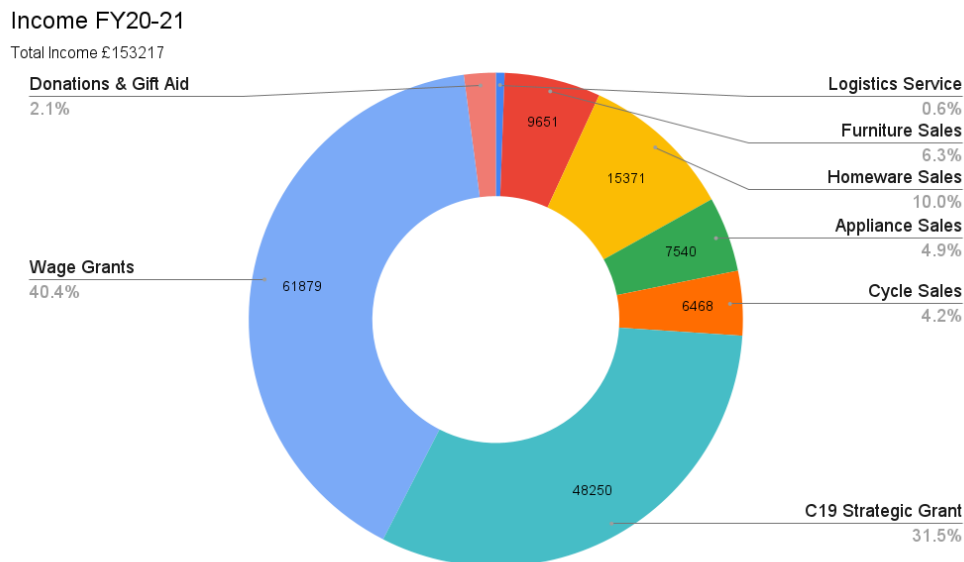
Five Kick Start placements were agreed with the DWP using the Ayr Chamber of Commerce as our 'Gateway Organisation' responsible for administering an initial grant and monthly reimbursement of wages. Apart from an external Velotech Cycling Training course, these grants were used to fund a further month of cycle maintenance training provided by our former Cycle Works Manager, and induction training, and monthly Learning Log and Personal Development Reviews by our Freelance Job Coach. Remaining funds were used to facilitate



external online (Revolve Retail Training) and internally provided training in our own premises by our Managing Director (Continuous Improvement/ Lean Awareness/ Leadership/ Administration and Logistics) and newly employed Cycle Works Supervisor (Health and Safety at Work (HSAW) including Fire Safety Training, Control of Substances Hazardous to Health (COSHH) and Provision and Use of Work Equipment Regulations (PUWER).

Having had the Kick Start placements approved, it was necessary to negotiate a High Street facing retail unit to put their training and plans into practice, commence the reduction of non-furniture donated stock, restore some sales income and recommence work experience and inclusion volunteering opportunities (all CGX sales are primary purpose trading, involving volunteers and trainees in the processing and sales of our 100% donated goods stock). Given the higher footfall location, we were required to pay a monthly rental fee, albeit at a slightly less than full market rate and it was encouraging that sales income recovered to cover these following our reopening, even with COVID protection measures still in place, including 2m distancing, hand sanitising, counter-top screens, and mask wearing. The floor area of this shop was only sufficient to sell a range of home goods

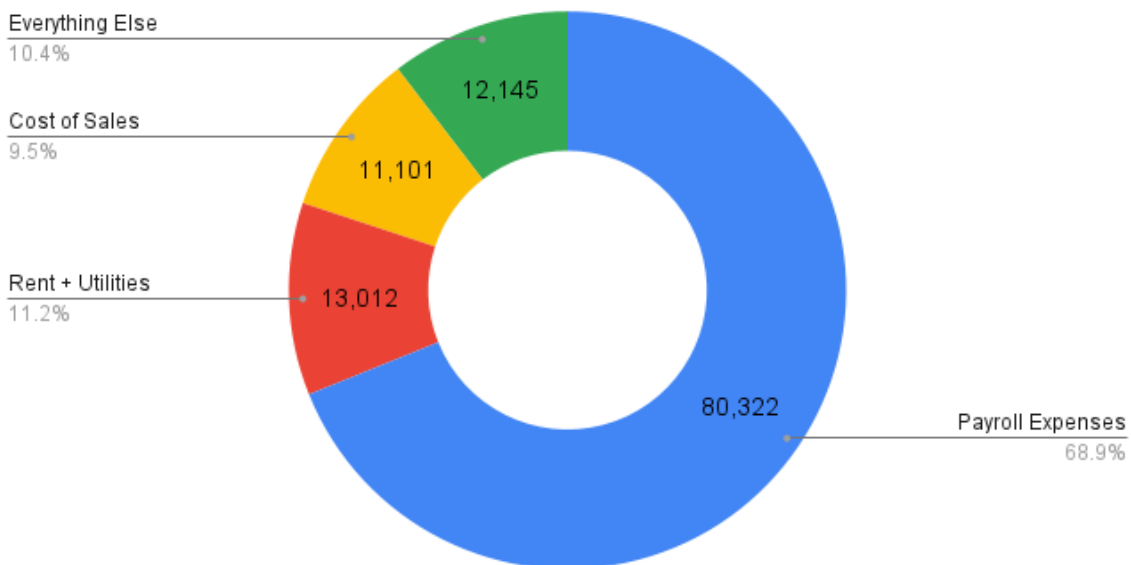
other than furniture. Almost a quarter of the annual sales income was furniture, half sold in the short period before the Lockdown, and the other half being smaller items in the shop or larger items from accompanied viewings in our former Furniture Store.



The expenditure chart shows how the largest proportion of our funds (69%) were spent on the payroll wages, tax and pensions of our two full time Supervisors, a number of part-time paid staff and the grant funded wages of the Kick Start and Community Jobs Scotland youth employment schemes. Rent and utilities - including only waste water and electricity charges - are the next highest expenditure (11%) and this cost will increase in subsequent years with the gradual relocation into longer-term paid-for premises. Cost of sales includes providing replacement low-cost tools and new parts used during cycle refurbishment and furniture restoration workshop projects. 'Everything else' includes the funds spent on volunteer meals, work clothing and personal protective equipment, and travel, as well as administrative overheads.

Expenditure FY 20-21

Total Expenditure: £118434



Statement of the charity's policy on reserves

During the previous year, the Board's policy to hold three months' reserves proved invaluable during the Mar - Aug 2020 COVID-19 Lockdown, drawing on them to fund suppliers invoices during a period of zero trading income, an insurance COVID exclusion, no eligible Government compensation for an employer other than the Coronavirus Job Retention Scheme payments for employees, and no successful significant recovery grant application. However, during the Nov 20 to Apr 21 Lockdowns, the COVID-19 Strategic Grant Fund for closed retail shops restored our Reserves to a level sufficient to employ the Supervisory staff required to reactivate the social enterprise. Before this became apparent, the Board agreed to apply for a British Business Bank 'Bounce Back Loan' of £15,000 as a cash Reserve available to meet any short term cash flow needs as trading income recovered. Financial Year 2021 ended with its Reserves restored at the higher level required to cover the additional number of core Supervisory staff required to sustain each of our 'Works'. However, they are not yet at levels sufficient to cover our total costs

including overheads should another unsupported significant disruption to our trading income occur.

Donated facilities and services

Although now paying rent for one public-facing retail shop owned by the Kyle Centre, through FY20-21, CGX continued to benefit from rent and service charge-free retail units inside the Centre following the closure of the Malls to the public. This arrangement is subject to commencement of Centre redevelopment plans so the sourcing and financing of suitable alternative premises is still an ongoing priority task. CGX also benefited 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 ongoing confidence in demand for reuse goods in our Reusables shop and through online sales. There continued to be a generous supply of goods from donors, our full stockroom space requiring us to restrict what we could accept until furniture sales can be resumed at an alternative Furniture Showroom. After a six month delay, we finally received the keys to a former High Street supermarket and the first few weeks of the new FY would be spent relocating the Cycle Works - fittings, tools and stock - and open in time to make some Christmas bicycle sales.



We anticipated a need to draw on our financial reserves to sustain the wages of our new team of Works Supervisors and engaging our second cadre of Kick Start Assistants and final CJS trainee in developing the social, economic and environmental impact of each of the interconnected CGX Works. The more experienced Supervisors are tasked with developing recognised employability and job skills training that will better equip trainees for their future workplaces. All Supervisors will contribute to our achieving Revolve accreditation to

provide customer assurance of good practice throughout our reuse retail activity.

The strategy for the next year remains the same as last year:

“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 reuse activity will continue to contribute to the nation-wide intent to develop a more environmentally and economically sustainable circular economy. Our seeking to include people with diverse capabilities among our paid staff, volunteers and trainees is an inherent part of the Scottish Government strategy of ‘No-one Left Behind’ and our CGX vision to contribute to “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

31 Jul 2021