

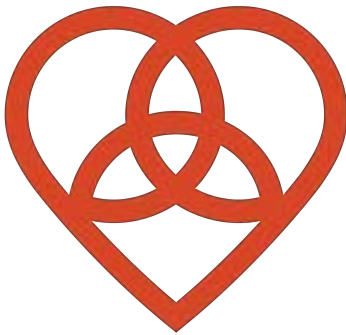
Community Gift Exchange SCIO

Trustees' Annual Report

Nov 2023 to Oct 2024



Charity contact information



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Objectives and Activities

Community Gift Exchange (CGX) 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.

Our paid supervisory 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, further training, or some other positive destination including a volunteering organisation to further their readiness for work.

For trainees, CGX can be part of the journey or 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. Everyone contributes to our environmental purpose.



Structure, governance and management

Structure

Community Gift Exchange is a Scottish Charitable Incorporated Organisation (SCIO) with a Single Tier Governance structure. The Board of Trustees are the Directors and only formal Members of the organisation. At the end of this financial year, we had four Trustee Director Members.

Governance

Type of governing document

Community Gift Exchange SCIO's governing document is its Constitution. This document is based on the SCVO Model Single Tier SCIO Constitution with some subsequent amendments to include the purpose of advancing environmental protection and improvement, and

permission for Directors to be paid as employees for work beyond the remit of being a Trustee.

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. No external organisations are required to appoint CGX charity trustees.

With agreement of the Board, nominees 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.

Induction and training of new trustees

All new Trustee Directors receive appropriate induction and training to allow them to fulfil their role as Members of the organisation and as members of the Board of Directors. The training is given in-house based on the Office of the Scottish Charity Regulator (OSCR) guidance on Managing a Charity.

Management

Effective management of the charitable reuse social enterprise is the responsibility of the Directors, who develop its strategic policy and planning at quarterly in person or online Board Meetings and intervening communication via email.

The Managing Director (MD) has the responsibility of the day to day running of the organisation in accordance with the Organisation's Policies. The MD leads our team of Works Supervisors - paid Employees or unpaid Volunteers - supporting them to develop Procedures for their operational roles delivering safe and engaging activity in alignment with the Organisational Policies and Directors' strategic aims to achieve the Organisation's Purposes. The Supervisors sustain the productivity of each Works, directly and through their supervision of Volunteers and Trainees.

Risk Management

The principle risks to be managed by the CGX Board are the physical safety of participants carrying out reuse activities, and the protection from harm of vulnerable adults. It is the policy of CGX to comply with all of its obligations under the Health and Safety at Work Act 1974 (as amended), the Management of Health and Safety at Work Regulations 1999 (as amended), and other supporting legislation. The Board manages Health and Safety risks by developing and reviewing the CGX Health and Safety Policy, for its operational dissemination and implementation by the Managing Director through to the Supervisory Staff, Volunteers and Trainees.

The MD and Supervisor of each Works co-produce scored operational risk assessments for their activities that identify, avoid or mitigate potential hazards. Staff, Volunteer and Trainee Inductions include individual risk assessments, determining appropriate tasks, training and support needs. PVG disclosures are required of Supervisory Staff during recruitment as a preventative measure to reduce the risk of harm to vulnerable adults. A well promoted Safeguarding Policy and 'direct line' to our Safe-guarding Officer is in place as an early intervention measure to reduce the risk further.

Actively managing risk relating to the loss of personal data, the Board has oversight of the CGX Privacy Policy, directing its implementation by CGX MD as Data Protection Officer, in accordance with the Data Protection Regulations Act (2018). Physical records are locked securely in a cabinet within a locked office for each individually secured main premises. These 3 layers of security ensure appropriate sensitive data is kept secure but accessible should it be required by management. Electronically, records are stored using Google Workspace, trusted to secure that information through proper adherence to its continually updated security measures. Individual users are assigned their own CGX Workspace accounts - setting and changing their own passwords - and permitted access to Shared Drives according to need by the CGX Account Administrator.

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CGX is registered with the Information Commissioner's Office, Reg ZB825391, with CGX MD as Data Controller.

Staff Support and Development

All employees receive at least the Scottish Living Wage, contributing to CGX achieving recognition through our Local Authority as a Fair Work employer. Developed through the Volunteer Scotland 'Volunteer Friendly' scheme, our employees, volunteers and trainees are guided through a thorough Induction to CGX Policies and Practices as readily referred to in our Employee and Volunteer Handbooks. This includes clear guidance on seeking direct support from our Board's nominated Safeguarding Officer.



We work with Volunteer Disclosure Scotland to enrol our Supervisors onto the Protection of Vulnerable Groups (PVG) Scheme to enable them to carry out regulated work with vulnerable

adults. Funded by the Scottish Government Volunteer Support Fund, we established a Volunteer Coordinator (VC) responsible for the development of all aspects of our Volunteer Journey. The VC developed our in-house Volunteer policies and procedures leading to CGX recognition by the DWP as a Disability Confident Employer.

Committed to the principle of Continuous Improvement, CGX receives training and guidance from Zero Waste Scotland's Revolve Standards for Reuse team as we work to implement their quality management system for safe and consumer friendly Reuse operations. The CGX MD facilitates weekly Staff Training sessions, coaching the Supervisors in the principles and practices of Lean Continuous Improvement and working together to improve CGX productivity and sustainability as a Social Enterprise.

Sector Participation

CGX is a member of various national Third Sector, Charitable and Volunteering support organisations including: the Scottish Council for Voluntary Organisations (SCVO), Volunteer Scotland, Social Enterprise Scotland, Zero Waste Scotland, and Circular Community Scotland. They have provided guidance on governance documents, training and methods of being a financially and environmentally sustainable social enterprise. Additionally, we have received support from Social Investment Scotland to help become more investment ready with plans to purchase premises from which to operate in the future.



We are also a member of local Third Sector support organisations that facilitate networking, knowledge sharing, collaborative working, securing grants, volunteer recruitment and training and contracting opportunities: South Ayrshire Social Enterprise Network (SASEN), and our Local Authority

Third Sector Interface, Voluntary Action South Ayrshire (VASA).



Local delivery partners for our supported employability services include the DWP and Local Authority Employability and Skills Services, Education Services Academies, Ayrshire College and developing the Young Workforce. Health and Wellbeing project partners include the Ayrshire Health and Social Care Partnership, NHS Community Mental Health Services and the South Ayrshire Alcohol and Drugs Partnership.

Achievements and performance

Overview of FY23-24

Quarter 1 (Nov23-Feb24)

Having reconsolidated our staff team back to 5 Supervisors, a part-time Interim Manager and two part time Administration Assistants, CGX entered the financial year with 8 paid staff continuing to lead and support volunteers and trainees in our five core 'Works'. Our continued use of the Kyle Centre included facilitating our Administration Works, Restoration Works, Appliance Works (Large and Small), Training Room, Staff Canteen and Reuse Hub comprising 5 former shop units as warehousing and preparation areas for donated furniture and other homeware. With surplus stock collected in previous years, restrictions on the collection of further furniture donations were still in place.



Hence, the Logistics Works team continued to focus on the internal movement of goods between the Reuse Hub, our High Street charity shops ('Reusables by CGX', and the combined 'Cycle Works and Refurnish by CGX'), external deliveries of sold items to members of the public, and the proper recycling of waste materials.



Initiating the Cycling Scotland Access to Bikes for Young People project was a core focus during this period, involving strengthening our partnership with the SAC Active Schools Team, and the Ayrshire Roads Alliance Team responsible for the implementation of Bikeability Training in Schools, participants of which we were able to offer safe and serviceable reuses bikes should they not have access to a bike of their own. These partners funded a two day Bronze Velotech Training course for 6 people, including 2 staff from CGX, the training based in our Cycle Works on the first floor above Refurnish at 88 High Street.



With a funded target to deliver 220 bikes to young people under the age of 18, the SAC team initially sought to limit our scope to the six primary and one Academy in the Ayr North locality which includes a significant majority of families living in the 5% and 10% most deprived neighbourhoods in Scotland. With insufficient kids bikes in our pre-existing stock, our SAC partner produced flyers and a process for schools to host 'Big Bike Donation Days', potentially enabling a redistribution of quality surplus bikes from better-off neighbourhoods to those more likely to need them through the Access to Bikes scheme. With a need to refurbish 20 bikes a month, we ceased producing adult bikes for sale in our shop and promoting bike servicing to the general public.



We were encouraged by receiving initial referrals from two Primary Schools in which Active Schools staff were engaged. However, we soon began to build up a stock of ready to go refurbished bikes that began to take up workshop space. To increase the rate of referrals our Logistics Supervisor commenced direct contact with the schools. This resulted in both requests for bikes and donations of bikes from former projects.

Through signage and example bikes on display in our shop window, we were able to attract further donations of suitably sized bikes prior to and after the Christmas break.

Returning to the office after New Year, our part-time Interim Manager focussed on updating our HR documentation and our part-time Volunteer Coordinator - funded by the Volunteer Support Fund - updated our Volunteer Handbook and supported our Volunteer Furniture Restoration Supervisor lead a series of five Chair Refurbishment evening classes at the Ayr Carnegie Library in Ayr North.



Quarter Two (Feb23-Apr24)

The library project inspired a successful bid for some small grant funding through the Health and Social Care Partnerships to deliver sessions for other individuals and groups from Ayr North to participate in refurbishing some simple chairs that they could take home or leave for us to sell to raise funds in our shop. Weekly sessions were held in our Kyle Centre 'Chair Bay' until this was relocated into the former training area on the First Floor of 88 High Street.



Funding from the Agnes Hunter Trust continued to employ our part-time Appliance Works Supervisor to provide work experience and training sessions for people with learning difficulties and this was augmented by a Health and Social Care Partnership Grant to extend the opportunity to people from Ayr South seeking activities to reduce social isolation, particularly people in retirement. This became known as our 'Electrical Repair Club', focussing on the repair of more interesting vintage electrical items and ongoing conversation over a shared canteen lunch.

CGX partnered with Ayrshire College for a second year to provide work experience placements to members of their Supported Education Classes: 12 students for between 20hr and 40hrs each over 5 or 10 weeks, in two main cadres from January to March. Each CGX Works Supervisor produced training programmes and ended each session guiding the student through completion of a Learning Journal. Diverting the Supervisors from their income raising roles, it will be necessary to negotiate some financial support for this volume of placements in future years.

Cycle Works continued to refurbish and deliver bikes free to children in a number of schools in more rural villages, one teacher subsequently passing on the super news of a young rider who received his first bike through our project having just won the British Cycling National Championship for his BMX skills!

Meanwhile, our SAC Active Schools partner funded a batch of helmets towards the Schools project, and the annual servicing of the bikes issued to their Ukrainian refugee rider group.



Quarter Three (May - Jul 24)

Grateful for the diligent HR work of our part-time Interim Administration Manager seconded by Fly High, a supportive local business, it was financially necessary to reduce our Admin team to our part-time Gift Aid Assistant and our volunteer Managing Director.

Part way through the year, a local competitor opened a 'Nearly-new' reused White Goods shop resulting in a marked decrease in the rate of sales of our typically older donated appliances.



Combined with continued exposure to the risk of a machine failure, although reduced following the accredited residential training of our two Appliance Works Supervisors at the White Goods Training Academy, this coincided with the end of the Agnes Hunter funding and it was necessary to close our Large Appliance Works and not extend the contract of its Supervisor, who subsequently volunteered with another local charity before returning to CGX as a Volunteer.



A number of larger appliances were passed to local charity Seascave for donation to new social housing tenants and the Kyle Centre Unit E was retained as the store of residual smaller electrical items.

Quarter Four (Aug - Oct 24)

Following a change of ownership of Refurnish and Cycle Works at 88 High Street and an appreciated transition period of donated facilities, a slightly below market value rent was agreed for its ongoing use. This necessitated the closure of our Refurnish shop, making our Small Appliance Works Supervisor redundant, and relocating the small electrical items, leisure, media and bric-a-brac into Refurnish. By the end of FY23-24, the CGX paid staff had reduced to 1 full time and 5 part-time employees.

The Financial Year ended with some Financial encouragement in the receipt of a second significant Access to Bikes for Young People grant - from the Scottish Government via Cycling Scotland - to prepare and deliver a further 200 bikes to under 18 year olds living in South Ayrshire. This project would subsequently help sustain Cycle Works through the Winter of 2024, a season of reduced in-store bike sales to local customers.

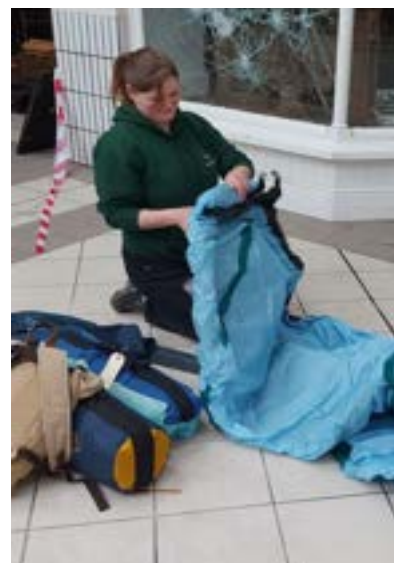
Social Impact

Opportunities for Volunteering

During this Financial Year our community benefited from the gifts of 21 non-job-seeking Volunteers who collectively contributed over 3000 hours to the social enterprise of CGX. Of these Volunteers, 10 were retired, 4 were young people still in full-time education, and a further 4 were on long-term benefits following limited capability for work assessments.

These Volunteers worked alongside 44 volunteer unpaid work-experience Trainees, helping them gain work skills and experience in their journey towards and into work. 1 Volunteer and 1 Trainee became regular employees of CGX this year, following the 14 former Trainees from the previous three years since the end of the COVID-19 Pandemic.

Of the 21 non-job-seeking Volunteers: 10 volunteered at Cycle Works; 6 people volunteered with Administration Works (including our 4 Trustees), 4 participated in our Restoration Works; 0 in our Retail Works; and 1 volunteered at Appliance Works.



Supported Employment and Employability

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. During FY23-24, CGX directly employed three of our former volunteers, not in full time education and with barriers to employment, two in our Appliance Works - one jointly in Retail Works - and the other in our Administration Works.

However, employability training - supporting people in their journey towards and into work - is considered charitable activity when carried out by a third sector organisation, especially when providing opportunities beyond those available through state-funded statutory provision. 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 Disability and Volunteer Friendly employee policy and practice including confidence in working with people with disabilities and barriers to learning.

Blair joined CGX's voluntary wellbeing programme to achieve support with ongoing anxiety and to attain work experience. Blair feels he has been greatly supported by staff and, in his own words has, 'really come out of my shell'.



Through logistics training and close supervision he has gained a lot of experience, feels less isolated, and appreciates the structure and routine that his volunteering sessions bring to his week.

"Working here has really made me feel supported and Staff have been really understanding of my autism. I feel my time with CGX will help when I am ready to move into employment." Blair.

Blair is now willing to face the stretch involved in doubling his hours and varying his job roles.

Throughout January to April 23-24, CGX Supervisors again provided immersive Work Experience Placements for 12 students on the Supported Employability course at Ayrshire College, 5 working in Appliance Works, and another 5 in Logistics Works. These were an essential element of the Level 2 and 3 SVQs achieved by the students over their year at Ayrshire College. Additionally, they all gained transferable life and vocational skills, improving their self-management and awareness, confidence and wellbeing.

We continued to provide free Work Experience Placements to young people supported by the SAC Employability and Skills Team.

Luke* is a job-seeker suffering from depression and anxiety. He says that due to the support of staff and increased weekly structure and routine, he is developing both his employability and social skills.

“I love my time here and appreciate the support from Channelle, my Supervisor, and the organisation as a whole. I’d love to help here more.” Luke

Luke continued to volunteer with CGX when his SAC referred trainee work experience placement ended. He has gained the confidence to look after the shop whilst the Supervisor is away from the shop-floor and he is considering applying for a paid work placement for people with barriers to employment in 2025.

(*not real name - adopted for purposes of this case-study report)

Social Inclusion and Mental Health

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 volunteering and being included in our reuse activities as regular team members, often keenly wearing our CGX logo branded work clothes, having personal job-titles, and enjoying the camaraderie in our canteen breaks and shared lunches.

Martha, a former member of the recovery community, enjoys her long-term participation in the furniture project, which reduces her social isolation - sometimes calling colleagues at all hours with a drama to share!

Martha serves customers purchasing items at the till and helps our Retail Supervisor clean the furniture in the Community Workshop making it ready for sale.

"I like polishing all the tables, you should have seen the colour of the cloth afterwards!" Martha.



This year our 4 longest serving regular Volunteers with higher supervisory needs assisted with the essential task of dismantling bikes beyond reuse into their metal and non-metal parts for responsible recycling.

David has volunteered with enthusiasm for over two years. He has learning disabilities and has tried working with our furniture. However, he prefers working more independently recycling wheels, separating the steel from the aluminium.

He knows this recycling task helps CGX process 'beyond-reuse' donated bikes as well as the environment, and enjoys contributing to the team effort.

We enjoy his sense of humour during his 2 sessions per week:

"I love coming here- it keeps me out of bother!" David.



Our volunteers also took part in our Ayr Community Workshop, sanding wooden furniture prior to refinishing with paint, oil or varnish. Once demonstrating their grasp of their training in safe ways of

working, we find our Volunteers like to be given as much autonomy as can be safely facilitated, usually enjoying working together for the company and mutual support.

Darren has learning difficulties and suffers when socially isolated. He says his time at CGX gives him structure, routine and purpose, something to keep him busy between his occasional seasonal work at Ayr Racecourse.

“I like doing furniture ‘cos it keeps me busy and I like working with my hands. I love the team support and the atmosphere, I always get a good laugh and can’t say no to a free lunch.”

Darren also likes to assume the role of Head Chef of the staff canteen during lunch breaks.



Stephen has multiple learning disabilities and depression and was referred to CGX by his support organisation and monitored by CMH Services. He makes tea for his workmates during our canteen lunches which significantly reduce his social isolation.

“I like the sanding ‘cos it makes the furniture all nice and smooth, and then giving it a coat of varnish makes it look nice. I like my work here with you. It keeps me out of the pub so it does!” Stephen.



Miss Alison Duncan

Having walked in during our first week of opening our first workshop and offered to volunteer, Alison, continued to do so this year in spite of declining health, acting as Assistant Volunteer Coordinator remembering birthdays, buying cakes & cards, collecting signatures & insisting that the shops be closed & the staff be gathered to celebrate birthdays & Christmas Meals!

Having delighted in celebrating her 80th birthday last year, and her sixth year of volunteering at this year's South Ayrshire Volunteer Awards, we were deeply saddened at her passing this year, closing the shop so that our staff and volunteers could attend her funeral to share stories of her time with us to members of her family and friends.

We heard repeatedly of how being part of our community and being trusted with various responsibilities had meant so much to her



One of our musical volunteers, Naomi, has written a fiddle tune entitled, 'Alison Duncan's "It's good that we can laugh!"', a phrase she'd say after sharing a funny moment.

We give thanks for her friendly and faithful contribution.

Health and Wellbeing

Through our funded donation of over 150 refurbished bikes we contributed to delivering the shared aim of Cycle Scotland and former Scottish First Minister, Nicola Sturgeon, to introduce a new generation of young riders to the benefits of cycling through the Access to Bikes for Young People Fund 2024. We are pleased to contribute to the increased health and wellbeing benefits of young people riding our bikes in and around their neighbourhoods.



Cycle Works Volunteer, Ben, assisting at the Ayr North Summer Community Event

Russia's invasion of Ukraine in Feb 2022 caused a prolonged rise in oil prices that initiated a year of high inflation and a national 'cost of living crisis'. During this period of 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.

With sales of second-hand goods of over £125,000, CGX helped Ayrshire householders save over £250,000 during this Financial Year, bringing a conservative estimate of our total savings benefit to our local community since our first sale in March 2018 to £750,000.

Environmental Impact

The following table presents some of the environmental impact achieved together with our donors and customers of reuse goods during the year:

Category	# Units	Total Weight Reused (Kg)	Total diverted from Landfill (Kg) (30%)	CO2 saved from the Atmosphere (Kg)
Household Furniture	300	9,600	2,880	9,600
Upholstered Sofas & Armchairs	80	4,160	1,250	4,160
Beds & Mattresses	70	4,620	1,390	4,620
Large Household Appliances	120	3,480	1,040	3,480
ICT	50	3,450	1035	3,450
Small Household Appliances	360	2,160	650	2,160
Whole Bikes & Wheelchairs	155	2,310	695	2,310
FY23-24 Total	1,135	29,780	8,935	29,780
CGX Total since Mar2018	6225	141,370	42,410	141,370

When including all other household items in the count, a total of 6000 items were sold for reuse in FY23-24, making an overall CGX total in the 5.5 years since trading began of 32,460 items.

Additionally we ensured that some 100 poor condition bikes, weighing approximately 1000 kg were stripped for reusable parts, the metal and rubber separated and responsibly recycled by local firm Lowmac Alloys.



The 150 additional bikes in public use may further contribute to a decrease in CO2 emissions should they be used for active travel instead of car journeys. Additionally, such use would contribute to a small reduction in road congestion and exhaust particle emissions.

Although we seek to reuse most of the items donated, including passing on items to the Justice Services Community Payback Workshop, some of the furniture presents with woodworm, is too broken, of too poor quality to fix, doesn't attract a buyer at clearance prices and might not even be taken when offered free to carry away. Hence, continuing to reduce our dependence on the Kyle Centre, we transported approximately two van loads, weighing approximately 1000 kg, of flattened wooden furniture for recycling.

We also renewed our registration with the Scottish Environmental Protection Agency (SEPA) as a Professional Carrier of Waste, transporting an estimated 10 large appliances and 100 small appliances (circa 1000 kg) for proper recycling as Waste Electrical and Electronic Equipment (WEEE).

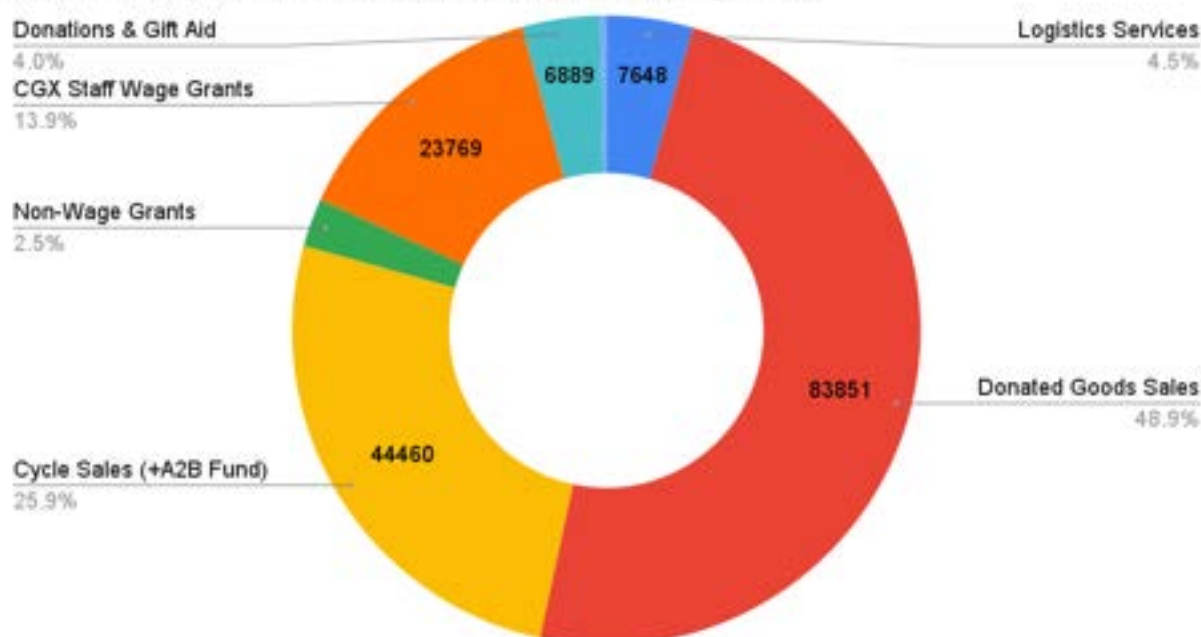
Financial Review

Principal funding sources - Income

As a Social Enterprise, CGX seeks to generate a significant proportion of our core funding (74.8% in FY23-24 cf. 70.8% in FY22-23) through the sale of donated goods through our two physical charity shops, our online shop (ebay), and advertising on social media sites (Facebook and GumTree). Achieving our employability, inclusion and environmental charitable purposes through engaging participants in work and employability skills, each of our Works contributes to the movement and preparation of donated goods for resale converting them into cash donations for the charity, this year totalling over £128,311 (FY22-23: £146,387). Continuing to employ a former volunteer as a part-time Administration Assistant, albeit on reduced hours, we increased the proportion and processing of goods donated and sold from Gift Aid registered donors, claiming a total of £4769 or 3.7% of our sales income (FY22-23: £3923, 2.68%).

Income FY23-24

Total Cash Income (accruals basis less notional donated rent and assets) £171391



Grants were our second significant source of funds, applied for to support our charitable activity and generate our social impact. Project grants - recognising in FY23-24 some £28,013 or 16% of total income (FY 22-23: £43,000, 21% of total income) - were also sought from

independent funding organisations to enable and develop specific projects, typically funding the wages of paid staff Supervisors to facilitate safe skills training and work experience within their particular Works.

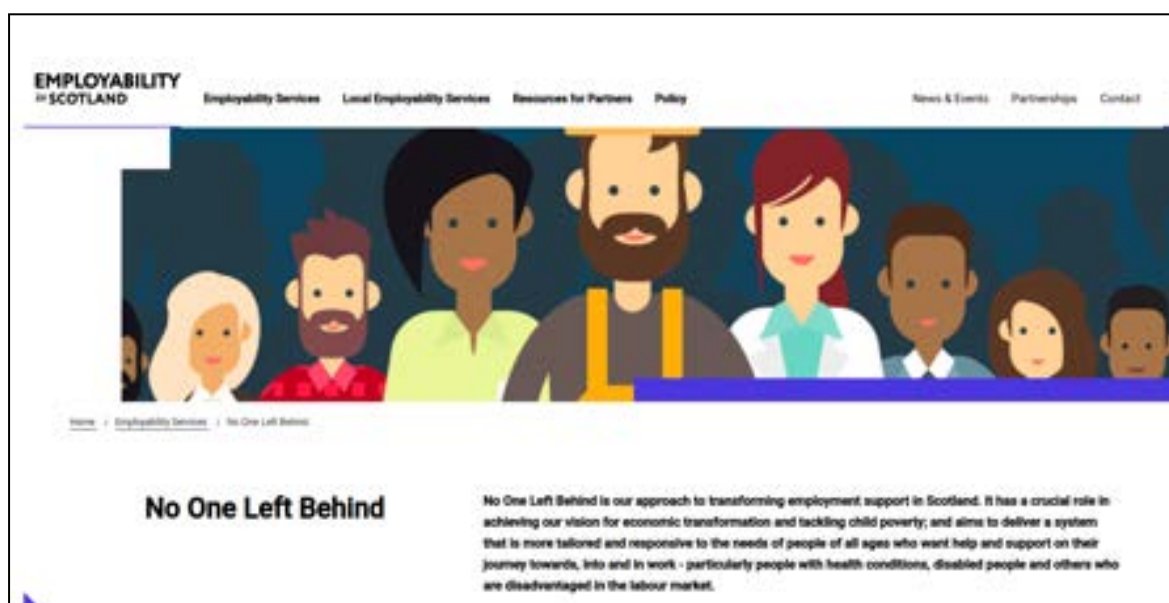
A grant from the Agnes Hunter Trust continued to enable us to employ one of our Appliance Works volunteers with long term health conditions as our Appliance Works Supervisor for one year. A Community Mental Health grant continued to part-fund our Restoration Works Supervisor, and subsequently, our Retail Supervisor, to run our Ayr Community Workshop restoring items of furniture. The third year of Baird Watson Trust funding supported a further quarter for our Cycle Works Supervisor, and the Volunteer Support Fund continued to fund our pan-CGX Volunteer Coordinator throughout the year. The Scottish Government's 'Access to Bikes for Young People' (A2BYP) fund administered through Cycling Scotland funded our Cycle Works supervisor and our 88 High Street overheads as we delivered free refurbished donated bikes to local children. Although accounted for as income from the sale of donated cycles, 90% of the Cycle Works sales for FY23-24 were funded by the A2BYP fund which curtailed the majority of all other Cycle Works sales and servicing for the year.

A number of these restricted grants were awarded and received during the previous FY and, in accordance with the Charities SORP, where not yet drawn down, and agreed performance criteria had yet to be met, the remaining funds were accounted for as contingent liabilities on the Balance Sheet. These were then recognised as Restricted Grant Income as the performance criteria were met. FY23-24 commenced delivering Access to Bikes 24, and ended with some deferred income yet to be recognised due difficulty we had obtaining referrals for bikes from schools and family support organisations. A further sizeable grant was also received under Access to Bikes for Young People, 2025, income deferred until delivery of bikes in FY 24-25.

Having benefited in previous years from Scottish Government Employability Scheme grants used to augment the staff team within CGX whilst providing invaluable paid Work Experience to Trainees (FY21-22: 41%, FY22-23: 6.5%), we did not do so during this period.

Our long-term financial strategy to achieve financial sustainability through our provision of Supported Employability Services through the Scottish Government's 'No One Left Behind' programme may also

need revising due to the limited opportunities for local third sector organisations to participate as funded members of the Local Employability Partnership.



We are aware OSCR and larger funders promote the delivery of recognised training, and that the DWP and some local employers would be interested in the attainment of qualifications of relevance to recruiting employees into their sector. Hence, we retain our intent to develop more formally recognised training in our specific sectors.

Building on their Portable Appliance Testing qualifications achieved through distance learning at CGX, two CGX employees benefited from continuing professional development, specifically appliance repair training at the Institute of White Goods Engineers, funded by the Ayrshire Skills Investment Fund - a local distribution of the UK Shared Prosperity Fund.

Analysis of Expenditures

The expenditure chart shows how the largest proportion of our funds (71% of total expenditure in FY23-24) were spent on the payroll wages, tax and pensions of our 1 full time and 7 part time employees (cf. 4 full time and 6 part time staff at 67% of expenditure in FY22-23). Actual paid rent and utilities - water charges and electricity charges - are the next highest proportion of expenditure at 13.8% (13.6% FY22-23) and this cost will increase in subsequent years with the gradual relocation into longer-term paid-for premises.

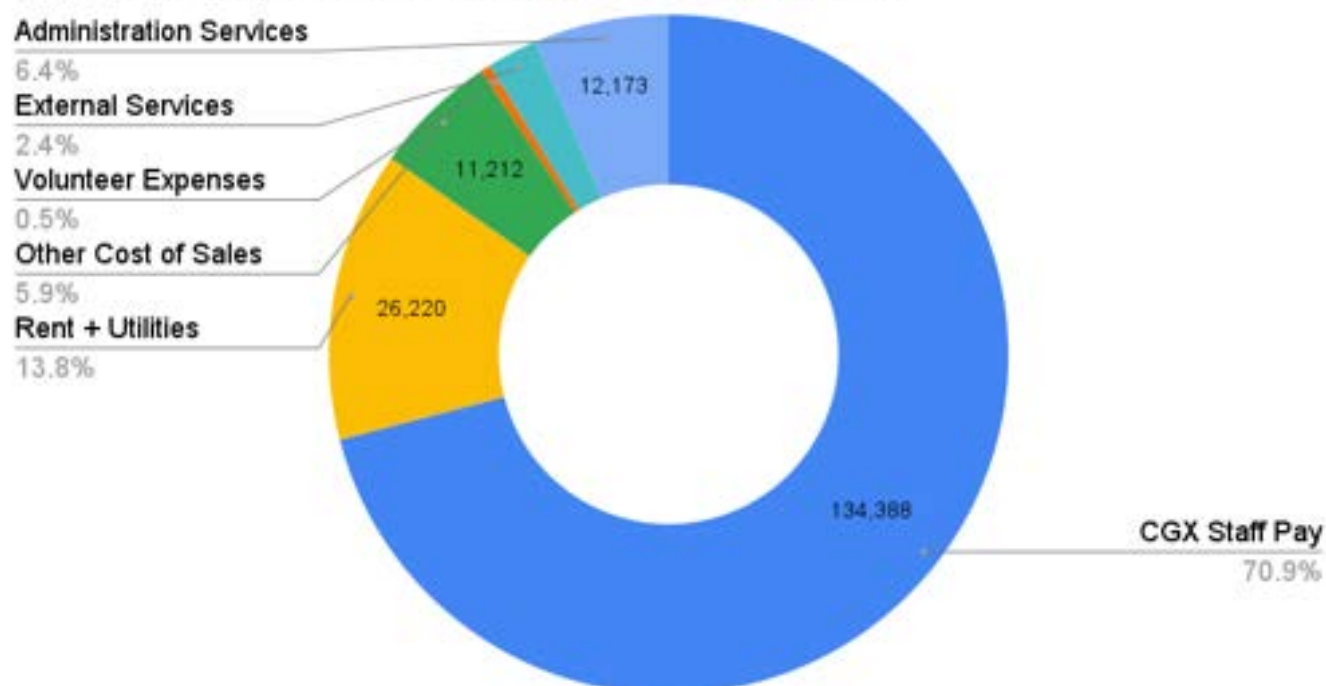
Cost of sales includes providing replacement low-cost tools, new parts and cleaning products used during cycle refurbishment and furniture restoration workshop projects were also a similar proportion of overall expenses as last year 5.9% (cf 5%). Other administrative expenses increased to 6.9% of total expenditure (cf. 3.4% in FY22-23). This includes the amount spent on volunteer meals, work clothing and personal protective equipment, and travel, as well as administrative overheads.

Donated Facilities and Services

Throughout FY23-24, CGX continued to pay rent for use of our Reusables charity retail shop, part of the Kyle Centre. However, with an ongoing note of thanks to the owner, we also continued to benefit from rent and service charge-free use of former retail units inside the Centre as warehousing and workshops. This arrangement is subject to commencement of Centre redevelopment plans and hence it was necessary to relocate the cycle and furniture retail into 88A High Street back in 2021. With additional thanks to its owner, 88A High Street was also rent and service-charge free to the end of FY23-24.

Expenditure FY 23-24

Total Cash Expenditure (accruals basis omitting notional rent): £206595



In addition to active participants in our operational activity, CGX also benefited from the pro bono services of our solicitor, independent examiner, website developer, ICT supplier, and instrument specialists; a group of local volunteers willing to exchange their skills and knowledge for the benefit of other members of their wider community in Ayr.

Policy on Reserves

The Trustee Directors have set the policy to create a reserve fund equivalent to three months running costs.

FY 23-24 ended with no cash reserves and negative overall Charity Funds on the Balance Sheet of -£28,008 (FY22-23: £1044). The significantly increased negative amount is due to a development in our accruals accounting that categorises Restricted Grant Income received and in our Savings Account as a Liability (Deferred Income), until the conditions of the grants are met through the delivery of charitable activity in subsequent months.

Also, drawing on the exemption for charities from the need to value stock when the cost and complexity outweighs the benefit of doing so, this balance does not include the value of the stock in the shops ready for sale, or the already collected but unprocessed donated items in our Kyle Centre warehouse and 88 High Street bike collection. This is estimated to be approximately two months of sales turnover, a realisable value of £13,000, and provides sufficient funds to pay off any residual liabilities in the event of a wind down of the enterprise using Volunteer labour.

The current focus of funders on project delivery focussed grants are not contributing towards reserves, and, at best, only to a proportion of overhead costs. With little imminent prospect of obtaining Scottish Government 'No-One Left Behind' funding for providing formal supported employability services, the only available strategy to grow our reserves is through increasing our surplus generated by sales of donated goods, through our combined goods High Street charity shop, 'Cycle Works and Refurnish by CGX', and through an increase in the delivery of paid-for Logistical and Facilities services.

Delays in repayments through the Local Authority for the wages we pay to trainees on the Evolve employment scheme in FY22-23 required us to start drawing on our British Business Bank 'Bounce Back Loan', arranged as a Reserve fund in FY20-21 for just such a

contingency. Hence we continue to make repayments on this loan at a rate projected to pay it off over a further four year period.

Investment Policy and Objectives

CGX does not yet have sufficient Reserves to invest in stocks and shares. Should it do so in the future, CGX will seek investments that further its ethical and sustainable values and purposes.

Key management personnel remuneration and Related Parties

All Trustee Directors give of their time freely and no Trustee remuneration was paid for their role as Members of the Board. Details of trustee expenses and related party transactions are disclosed in the Notes to the Accounts.

Trustees are required to disclose all relevant interests as they arise and, in accordance with the SCIO Constitution, withdraw from decisions where there is a conflict of interest. This was applied to the decision at a Board Meeting in June 2022 in which it was agreed that the MD could formally take on the specific operational paid Volunteer Coordinator role that he was covering since the moving on of its first holder. Following legal advice, it was agreed that it was necessary and in keeping with Section 67 the Charities and Trustee Investment (Scotland) Act 2005, to amend the CGX Constitution to include the following at Paragraph 39.:

“...a charity trustee may serve as an employee (full time or part time) of the organisation; however, no charity trustee may be given any remuneration by the organisation for carrying out his/her duties as a charity trustee.”

The process of amending the Constitution was agreed by all Members and a notice of a Resolution to Amend the Constitution to OSCR was sent to OSCR on 16 Feb 2023. For the duration of the Volunteer Support Fund, the Managing Director has subsequently worked part-time as a paid member of staff in the role of Volunteer Coordinator and continued to serve as voluntary unpaid MD of the Charity and Secretary of the Board of Trustees.

Future plans

Whilst delivering our funded projects, our most immediate financial task was engaging our firm of Accountants in adapting our Annual Reports to Accruals Accounting, publishing previous years and keeping them up to date going forward. This will restore our ability to apply for single and multi-year grants to match-fund our earned income and fund the Supervisory staff required to sustain our charitable activities.

With the expectation of having to vacate our warehousing in the Kyle Centre, it will be necessary to identify longer-term affordable facilities requiring us to improve our efficiency and productivity, focussing on reuse streams that occupy less space and yield both meaningful training opportunities and higher margins. Hence, the financial strategy for the mid-term is to plan a sustainable business model that would attract the social investment required to purchase a long-term, well equipped, environmentally and financially sustainable Re-use Hub that provides excellent workshop skills training and experience for a diverse range of participants.

Ongoing unemployment, particularly amongst younger people - especially those with barriers to employment - continues 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."

Reference and Administrative Information

Charity Trustees (at the publishing of this Report 30 July 2025)

1. Alison Smith, Chair of Trustees (NHS Standards executive).
2. Ian Rankin, (architect and property manager).
3. Alan Priestnall, Managing Director and Secretary (former pilot, leadership trainer and lean consultant).
4. Matthew Pound, Treasurer (teacher and former CGX Cycle Works Supervisor), appointed 10 Mar 2023.
5. Robert Baxter (church minister and former business executive), appointed 31 Jan 2025.

Principal Office (see Page 2 for mailing address)

88A High Street, Ayr, KA7 1PQ

Solicitors and Registered Address

Kilpatrick and Walker, 4 Wellington Square, Ayr, KA7 1EN

Chartered Accountants

AMMU, 8 Miller Road, Ayr, KA7 2AY

Independent Examiner

AMAS Murrison Limited, 10 Newton Terrace, Charing Cross, Glasgow, G3 7PJ

Bankers

The Co-operative Bank p.l.c., 1 Balloon Street, Manchester, M4 4BE

Office of the Scottish Charity Regulator

Charity Number: SC047814

Information Commissioner's Office

Registration: ZB825391

Trustees' responsibilities in relation to the financial statements

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

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity 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 applicable Charities SORP; make judgements and estimates that are reasonable and prudent; state whether applicable 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Declaration

Signed on behalf of the charity trustees:

Al Priestnall

Print name

Alan Priestnall

Designation

Trustee and Director

Date

30 Jul 2025

