

Charity Registration No. SC044137 (Scotland)

**GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Chair</b>	Dr Joan Mitchell
<b>Trustees</b>	Dr Joan Mitchell Mr Andrew Bielinski Mr John Mark Gibson Mr John Thomson Mrs Melanie Allen Mrs J Ashley
	(Appointed 4 December 2020)
<b>Charity number (Scotland)</b>	SC044137
<b>Independent examiner</b>	John Simpson FCA Montpelier Professional (Galloway) Limited 1 Dashwood Square Newton Stewart DG8 6EQ
<b>Bankers</b>	Bank of Scotland PO Box 1000 BX2 1LB

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# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## CONTENTS

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	<b>Page</b>
Trustees report	1 - 3
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 17

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# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## TRUSTEES REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees present their annual report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Constitution, 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) (effective 1 January 2019)".

### **Objectives and activities**

The Charity's objects are: the advancement of education, community development, environmental protection and improvement including care for the heritage of the UNESCO Biosphere Reserve area to be exercised following the principles of sustainable development (where sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs). In fulfilling these purposes, the SCIO will ensure that all of the policies, actions and activities result in the maintenance of the designation of UNESCO Biosphere Reserve and achieve the Biosphere Partnership's Vision "to demonstrate our passion for living in a way that benefits people and nature". Furthermore, the SCIO will act in accordance with the principles embodied within Galloway and Southern Ayrshire Biosphere Charter:

- Help to conserve the natural resources of the Biosphere
- Support the economy to benefit people and nature
- Promote cultural heritage and local products
- Contribute to the health and well-being of the community
- Develop knowledge, understanding and promote research
- Raise awareness of the Galloway and Southern Ayrshire Biosphere

The activities of the Biosphere are guided by the Strategic Plan 2017-2022.

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## TRUSTEES REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Achievements and performance**

The early part of the year was heavily impacted by lock down as a result of Covid19. Despite the restrictions this placed on face to face activity, the team quickly became familiar with using zoom as a means of facilitating continued engagement with Board members and key partners. This was particularly successful with our Biosphere Business Proud Supporters and Certified Businesses. The success of this approach was recognised in the Biosphere being awarded the Nature of Scotland Business Award winners at the end of 2020.

Projects such as "PLACE in the Biosphere" had to re appraise their delivery moving to a heavily digital online presence, that was supported by additional mentoring from the National Lottery. This resulted in the development of a successful series of initiatives including the sharing of old photos from the communities and the memories associated with them. As restrictions eased these were used for an outdoor exhibition in shop and house windows, down the main street in Glenluce, where they could be enjoyed in a socially distance manner.

The most significant focus of the year was on working with the newly created South of Scotland Enterprise to develop a business case to be submitted to their Board seeking funding support to employ a core team for delivery of the UNESCO Biosphere objectives. Work remotely, with consultants meant this was quite a challenging piece of work, with high expectations riding on the outcome. The final proposal was considered by the SOSE Board in Autumn 2020, with a five year £1.9M funding agreement committed to in early December 2020. The new funding also saw the Partnership Board grow with new Board members joining bringing with them new skills and expertise.

The existing two staff working on the Biosphere moved to full time positions from 1st December, and recruitment of a Finance and Officer manager was under taken. That position commenced in February 2021, and focused on transitioning financial management and employment of staff for the Biosphere SCIO out from under the umbrella of Southern Uplands Partnership. After 10+ years of support from SUP in getting them Biosphere of the ground, they concluded by providing invaluable mentoring to the new FO Manager during this period which finally saw the Galloway and Southern Ayrshire Biosphere becoming fully independent on 1st April 2021.

In parallel to this transition, a recruitment drive started in earnest for the remaining members of the senior team who would take the Biosphere forward.

### **Financial review**

The charity operated at a surplus for the year of £30,129 (2020: £15,025). Included within this figure is a surplus of £3,664 (2020: £15,025) on unrestricted funds. The total funds at the end of the year were £113,635 (2020: £83,506) as detailed in the financial statements.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between 30-40% of the annual operational budget. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

This level of reserves has been maintained throughout the year.

The charity has the power to make investments which the trustees see fit.

### **Future Plans**

The core priorities for the coming year are focussed on recruiting the remaining members of the Biosphere staff team, securing bigger and more accessible office accommodation from which the team can operate and starting to develop and deliver a program of activities that will support communities, businesses, land managers and other partners in realising the full potential of the UNESCO Biosphere designation.

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## TRUSTEES REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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### Structure, governance and management

The SCIO is governed in accordance with its written Constitution dated 5 July 2013. This was revised at the Annual General Meeting on 9 March 2017 and was submitted to OSCR.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Dr Joan Mitchell

Mr Peter Ross (Resigned 4 December 2020)

Mr Andrew Bielinski

Mr John Mark Gibson

Mr John Thomson

Mrs Melanie Allen

Mrs J Ashley (Appointed 4 December 2020)

The charity trustees are appointed from within the membership of the partnership board. Trustees are appointed by a simple majority voting at a partnership board meeting. Trustees may also be removed by a simple majority voting meeting of the board.

The Trustees report was approved by the Board of Trustees.



**Dr Joan Mitchell**

Chair

Dated: ..... 31/3/21 .....

# **GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The Trustees are responsible for preparing the Trustees Report and the 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 Trustees to prepare financial statements for each financial 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 year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		11,929		355
<b>Current assets</b>					
Debtors	10	80		-	
Cash at bank and in hand		102,362		84,164	
		<u>102,442</u>		<u>84,164</u>	
<b>Creditors: amounts falling due within one year</b>	11	(736)		(1,013)	
Net current assets			101,706		83,151
<b>Total assets less current liabilities</b>			<u>113,635</u>		<u>83,506</u>
<b>Income funds</b>					
Restricted funds	12	26,465		-	
Unrestricted funds		87,170		83,506	
		<u>113,635</u>		<u>83,506</u>	

The financial statements were approved by the Trustees on 31.03.21

  
Dr Joan Mitchell  
Chair

  
Mr Andrew Bielinski  
Trustee



# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Charity information

Galloway & Southern Ayrshire Biosphere is a Scottish Charitable Incorporated Organisation.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Constitution, 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) (effective 1 January 2019)". 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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.

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 Income

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.

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

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.

#### 1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

#### 1.6 Tangible fixed assets

Tangible fixed assets 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:

Plant and equipment	20% on reducing balance
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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 the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 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.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors 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 creditors 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 creditors 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.

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 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.

### 2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	-	-	-	20,000	-	20,000
Grants received	50,000	104,520	154,520	50,000	21,250	71,250
	<u>50,000</u>	<u>104,520</u>	<u>154,520</u>	<u>70,000</u>	<u>21,250</u>	<u>91,250</u>
<b>Donations and gifts</b>						
Donation	-	-	-	20,000	-	20,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
<b>Grants receivable for core activities</b>						
Dumfries & Galloway Council	20,000	-	20,000	20,000	-	20,000
East Ayrshire Council	15,000	-	15,000	15,000	-	15,000
South Ayrshire Council	15,000	-	15,000	15,000	-	15,000
Scottish Natural Heritage	-	10,000	10,000	-	10,000	10,000
Plant Life International	-	-	-	-	1,250	1,250
Scottish Forestry	-	10,000	10,000	-	10,000	10,000
South of Scotland Enterprise	-	84,520	84,520	-	-	-
	<u>50,000</u>	<u>104,520</u>	<u>154,520</u>	<u>50,000</u>	<u>21,250</u>	<u>71,250</u>

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 3 Charitable activities - income

	Running of trust 2021 £	2020 £
Certification plaque income	635	-

### 4 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	22	42

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Charitable activities - expenditure

	Running of trust	Running of trust
	2021	2020
	£	£
Staff costs	72,323	45,193
PLACE project	-	4,000
National plant monitoring	-	1,250
Biosphere project costs	18,168	670
SoSE project costs	11,528	-
Travel	341	4,414
	<u>102,360</u>	<u>55,527</u>
Share of support costs (see note 6)	21,678	18,938
Share of governance costs (see note 6)	1,010	1,802
	<u>125,048</u>	<u>76,267</u>
<b>Analysis by fund</b>		
Unrestricted funds	62,050	55,017
Restricted funds	62,998	21,250
	<u>125,048</u>	<u>76,267</u>

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 6 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	6,613	-	6,613	6,417	-	6,417
Depreciation	3,483	-	3,483	89	-	89
Rent	756	-	756	756	-	756
Insurance	286	-	286	105	-	105
Telephone	869	-	869	777	-	777
Postage & stationery	189	-	189	48	-	48
Bank charges	145	-	145	153	-	153
Sundry	473	-	473	370	-	370
Management fee	6,780	-	6,780	6,780	-	6,780
PR & marketing	1,860	-	1,860	3,240	-	3,240
Office & meeting costs	7	-	7	153	-	153
Repairs	217	-	217	50	-	50
Accountancy	-	1,010	1,010	-	1,400	1,400
Costs of meetings	-	-	-	-	402	402
	<u>21,678</u>	<u>1,010</u>	<u>22,688</u>	<u>18,938</u>	<u>1,802</u>	<u>20,740</u>
Analysed between						
Charitable activities	<u>21,678</u>	<u>1,010</u>	<u>22,688</u>	<u>18,938</u>	<u>1,802</u>	<u>20,740</u>

### 7 Trustees

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

During the year no trustee had travelling expenses reimbursed.

During the year Trustees Liability Insurance was organised through Southern Uplands Partnership.

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	4	3
	<u>4</u>	<u>3</u>
<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	66,898	43,742
Social security costs	6,687	4,369
Other pension costs	5,351	3,499
	<u>78,936</u>	<u>51,610</u>
	<u>78,936</u>	<u>51,610</u>

There were two project officers working on 0.6 FTE and one project officer working on 0.2 FTE employed on behalf of Galloway & Southern Ayrshire Biosphere through Southern Uplands Partnership. Staff members became directly employed with the charity during the year on a full time basis.

### 9 Tangible fixed assets

	Plant and equipment £
<b>Cost</b>	
At 1 April 2020	555
Additions	15,057
	<u>15,612</u>
At 31 March 2021	15,612
<b>Depreciation and impairment</b>	
At 1 April 2020	200
Depreciation charged in the year	3,483
	<u>3,683</u>
At 31 March 2021	3,683
<b>Carrying amount</b>	
At 31 March 2021	11,929
	<u>11,929</u>
At 31 March 2020	355
	<u>355</u>

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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**10 Debtors**

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	80	-
	<u>80</u>	<u>-</u>

**11 Creditors: amounts falling due within one year**

	2021	2020
	£	£
Other creditors	38	364
Accruals and deferred income	698	649
	<u>736</u>	<u>1,013</u>



# GALLOWAY & SOUTHERN Ayrshire Biosphere

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 12 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:

	Movement in funds				Movement in funds			
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Plant Life International	-	1,250	(1,250)	-	-	-	-	-
Partnership Working	-	10,000	(10,000)	-	10,000	-	-	10,000
Project Co-Ordinator Support	-	10,000	(10,000)	-	10,000	-	-	10,000
Business case funding	-	-	-	-	14,520	(14,520)	-	-
SOSE project to deliver business plan	-	-	-	-	70,000	(48,478)	(15,057)	6,465
	-	21,250	(21,250)	-	104,520	(62,998)	(15,057)	26,465

Partnership Working - Funding from Scottish Forestry to support the employment of a small core team to help facilitate action.

Project Co-Ordinator Support - Funding from Scottish Natural Heritage to part fund the resource of a dedicated co-ordinator.

Business case funding - Funding from South of Scotland Enterprise to develop a business case proposal.

SOSE project to deliver business plan - Funding from South of Scotland Enterprise to deliver the activities outlined in the Business Plan. The transfer relates to expenditure on fixed assets during the year, which are now considered unrestricted.

# GALLOWAY & SOUTHERN AYRSHIRE BIOSPHERE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Tangible assets	11,929	-	11,929	355	-	355
Current assets/ (liabilities)	75,241	26,465	101,706	83,151	-	83,151
	<u>87,170</u>	<u>26,465</u>	<u>113,635</u>	<u>83,506</u>	<u>-</u>	<u>83,506</u>

### 14 Related party transactions

There were no disclosable related party transactions during the year.