

REGISTERED COMPANY NUMBER: SC258621 (Scotland)
REGISTERED CHARITY NUMBER: SC011968

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
FOR
THE ZONE INITIATIVE LTD**



**Xeinadin Audit Limited
24 Beresford Terrace
Ayr
KA7 2EG**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 9
Statement of Financial Activities	10
Balance Sheet	11 to 12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 25
Detailed Statement of Financial Activities	26 to 27

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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

Objectives and aims

Values, principles and objectives

The Zone Initiative employs team members with the behavioural traits that best match the organisation's values and beliefs. Following are our values, vision and mission statement together with our overall key aims and objectives.

- Vision

To improve quality of life for the young people of the Doon Valley area.

- Mission

To provide facilities for play, recreation and other leisure time occupation for young people in the Doon Valley area which will improve the conditions of life for such people by promoting their physical, spiritual and mental wellbeing.

- Values

We at The Zone Initiative believe that we should participate in all forms of community activity which can make a difference to our local community and we should strive to:-

1. Have unconditional positive regard for all service users, potential users and team members.
2. Make no discrimination with regard to nationality, religious beliefs, disability, sexual orientation or ethnic origin.
3. Value and respect the service users that access our services.
4. Value and respect our volunteers.
5. Train and develop team members and volunteers so that they can provide a quality service for our service users.
6. Promote and strengthen community spirit in the Doon Valley.
7. Listen to the needs of the local community and to bridge gaps where possible.
8. Show care and compassion for the community.
9. Work to best practice procedures.

- Aims and objectives

To improve the physical, spiritual and mental well being of the young people of the Doon Valley through the provision of play and recreation facilities. In achieving these goals, the organisation aims to:-

1. Promote and develop the public appreciation of the short and long term values of children's play and towards improving the conditions of life for young people in the area.
2. Examine, co-ordinate and expand the resources devoted to the provision of children's play facilities in the area.
3. Carry on any other activities which further any of the above objects.
4. Provide a forum in the community where interested individuals, professionals, statutory bodies, commercial bodies, voluntary organisations, charitable organisations and other bodies can meet and co-operate in the development of services for achieving the above objectives.

-How our values are communicated and applied within our organisation

1. A training and development budget forms part of every funding bid to develop team members on a personal level and increase their work related skills.
2. Clear directed personnel specifications are drawn up for all team member vacancies. Key areas that we look at are soft skills, life experience and personality traits to meet the the demands of the post.
3. Take up references and carry out an enhanced disclosure check on our team members and volunteers.
4. Adhere to our equal opportunities policy when recruiting team members.
5. Include team members in decision making and involvement in team meetings and goal setting.
6. Offer support and supervision to all team members.

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Significant activities

The company's principal activity during the year continued to be the provision of facilities for play and recreation and social activities for the young people of the Doon Valley area. The company continues to support older people with meals on wheels and home buddy services funded through the Joint Integrated Board. The organisation has recently been supported with funding through Scottish Government drugs health taskforce delivering services to people in recovery.

Volunteers

The company is indebted to the many volunteers who help the organisation meet its objectives by carrying out various tasks and duties.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Zone Initiative Ltd (and the preceding voluntary organisation) was established in 1985 by a local community steering group that was to establish an adventure playground in the local community due to lack of facilities at that time. The Zone Initiative's overall vision is to improve quality of life for the children, young people and the community of the East Ayrshire area. The organisation aims to improve the quality of life of East Ayrshire residents by providing a range of services from out of school care, youth work, educational play and recreational activities to improve people's physical, spiritual and mental well being by providing opportunities for training and employment in the area.

By providing a tailored approach to individuals' needs the organisation aims to increase people's self esteem, confidence, their outlook and improve their potential for employment and training. In addition the organisation carries out extensive intergenerational work where young people work with the elderly and/or disabled people within the community with a view to keeping them active and living in the home by providing services such as grass cutting, garden maintenance and DIY jobs within their homes.

The organisation provides the following services:

- Out of School Care
- Youth Services across the Doon Valley area
- SVQ Training
- Education partnership with local Academy
- Home Buddies
- Community Meals on Wheels
- Garden Maintenance and DIY
- Employability services for young people including modern apprentices
- Food bank distributor
- Peer Recovery Project

The organisation continues to fulfil its commitment to the Doon Valley, providing childcare, training, food bank, garden maintenance and a post office facility. In particular this year the organisation was involved in providing food parcels to the vulnerable during the COVID pandemic.

Internal and external factors

Internally, the charitable company is dependent on a good relationship between the Executive Committee, staff and the volunteers that help to ensure that it can successfully carry out its activities.

The main external factor affecting the organisation's operations is ensuring that the young people of the Doon Valley make use of the facilities and social opportunities that are available to them and that grant funding can be maintained to facilitate them.

The Executive Committee are happy to report that there are currently no adverse internal or external factors affecting the organisation's operations.

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Principal funding sources

Principal funding to meet the costs of operating the organisation came from East Ayrshire Council, the Scottish Government, BBC Children in Need, Post Office, National Lottery, Scottish Children's Lottery, Coalfields Regeneration Trust and the Corra Foundation.

The Executive Committee would like to express their thanks to all the organisations which provided funding to the company during the year.

Reserves policy

The Executive Committee have assessed the level of free reserves (i.e. those funds not tied up in fixed assets and designated and restricted funds) that the company requires to sustain its operations and are aware they are dependant on the ongoing successful award of grants for the continued successful operation of its charitable activities.

Review of the year's results

The financial statements for the year to 31st March 2022 reflect a successful year of operation for The Zone Initiative Ltd.

Total incoming resources for 2022 amounted to £608,277. (2021 - £709,788). Resources expended totalled £590,691. (2021 - £498,180). The net incoming resources for 2021 were £17,586. (2021 £211,608).

At 31st March 2022, the organisation had total funds of £249,123. (2021 - £231,537) of which £59,663 were unrestricted and £189,460 were restricted.

The Executive Committee consider the results for the year to be successful. The Committee are aware they are dependant on the ongoing successful award of grants for the continued operation of its charitable activities.

FUTURE PLANS

Keeping our focus on the children and young people living in the most deprived areas of the Doon Valley will continue to be our priority.

Our Home Buddy service remains a great help to the older people in the area allowing them to live at home safe, secure and inclusive within the local community.

The post office facility will continue with no plans to take on any further outreach services, this continues to provide a vital service to four rural communities.

The board again have made the decision not to expand into any other projects and to focus on our core services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Zone Initiative (formerly known as Bellsbank Adventure Playground) was incorporated on 3rd November 2003. Its governing document is its Memorandum and Articles of Association. The company is limited by guarantee and does not have a share capital. In any winding up the liability of individual members is limited to £1.

Recruitment and appointment of new trustees

New Executive Committee members are recruited primarily from the local community without discrimination on the grounds of age, gender, religion, disability, sexual orientation or ethnic origin, appointment being at the discretion of the Executive Committee. They are always prepared to consider suitable individuals from the community who are sympathetic to the company's aims and objectives and who might prove to be valuable Committee members.

Organisational structure

To ensure the smooth running of the organisation, regular Executive Committee meetings are held involving input from the Committee members and the non voting advisors. On a day-to-day basis, the organisation's activities are run by the project manager, the youth work co-ordinator, the office administrator and other staff.

Induction and training of new trustees

The organisation's Executive Committee (Directors) are responsible for overseeing the charitable company's affairs and directing staff.

Most new Executive Committee members will already be familiar with the purpose of the company when they join and learn more about its workings from other Committee members and from attendance at regular meetings.

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Wider network

The company liaises and interacts with other organisations and individuals where this is of general benefit to the local community.

Related parties

There were no reportable financial transactions between the company and any of the Executive Committee members, or any related parties of the Executive Committee members, during the year ended 31st March 2022. Any such transactions require to be transparent, approved by the Executive Committee and conducted on an arm's length basis.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC258621 (Scotland)

Registered Charity number

SC011968

Registered office

Dalcairney Road
Bellsbank
Dalmellington
Ayrshire
KA6 7SZ

Trustees

Mrs I Rowan
L Orr
Mrs J Orr
S Mullen (appointed 23.10.2021)

The charity's trustees (directors) are referred to within the company as its executive committee.

Company Secretary

Ms M McCabe

Auditors

Sheila L Tannock
Chartered Accountant
Xeinadin Audit Limited
24 Beresford Terrace
Ayr
KA7 2EG

Solicitors

Frazer Coogans
46 Dalblair Road
Ayr
KA7 1UQ

Non voting advisors to executive committee

Mrs E Stewart
Mrs R Eccles

Project manager

Mrs E Stewart

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Zone Initiative Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

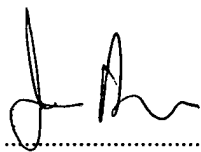
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Xeinadin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 14th December 2022 and signed on its behalf by:



.....
Mrs I Rowan - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF THE ZONE INITIATIVE LTD

Opinion

We have audited the financial statements of The Zone Initiative Ltd (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF THE ZONE INITIATIVE LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF THE ZONE INITIATIVE LTD

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures in response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance we considered the following:

- The nature of the charitable company, the environment in which they operate and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charitable company and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to:

- Regulations and legislation pertinent to the Charitable Company's operations; and
- UK tax legislation

We considered the extent to which non-compliance might have a material impact on the financial statement. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks of the group were related to:

- Posting inappropriate journal entries; and
- Management bias in accounting estimates.

Our procedures to respond to the risks identified included the following:

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

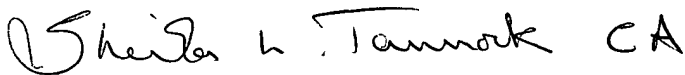
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more the compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusions, omissions or misrepresentation.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF THE ZONE INITIATIVE LTD

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sheila L. Tannock, B.Sc., C.A. (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
24 Beresford Terrace
Ayr
KA7 2EG

20 December 2022

THE ZONE INITIATIVE LTD

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Charitable operations		<u>166,962</u>	<u>441,315</u>	<u>608,277</u>	<u>709,788</u>
EXPENDITURE ON					
Charitable activities					
Charitable operations	3	141,724	442,839	584,563	492,892
Other		<u>6,125</u>	<u>3</u>	<u>6,128</u>	<u>5,288</u>
Total		<u>147,849</u>	<u>442,842</u>	<u>590,691</u>	<u>498,180</u>
NET INCOME/(EXPENDITURE)		19,113	(1,527)	17,586	211,608
RECONCILIATION OF FUNDS					
Total funds brought forward		40,549	190,988	231,537	19,929
TOTAL FUNDS CARRIED FORWARD		<u><u>59,662</u></u>	<u><u>189,461</u></u>	<u><u>249,123</u></u>	<u><u>231,537</u></u>

The notes form part of these financial statements

THE ZONE INITIATIVE LTD

**BALANCE SHEET
31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	47,194	-	47,194	47,414
CURRENT ASSETS					
Debtors	11	-	-	-	2,015
Cash at bank and in hand		23,556	216,346	239,902	241,831
		<u>23,556</u>	<u>216,346</u>	<u>239,902</u>	<u>243,846</u>
CREDITORS					
Amounts falling due within one year	12	(11,087)	(26,886)	(37,973)	(59,723)
NET CURRENT ASSETS		<u>12,469</u>	<u>189,460</u>	<u>201,929</u>	<u>184,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>59,663</u>	<u>189,460</u>	<u>249,123</u>	<u>231,537</u>
NET ASSETS		<u>59,663</u>	<u>189,460</u>	<u>249,123</u>	<u>231,537</u>
FUNDS	13				
Unrestricted funds:					
General fund				42,884	33,103
Reshaping Communities				16,779	7,446
				<u>59,663</u>	<u>40,549</u>
Restricted funds:					
Lottery				41,698	60,824
Coalfields Regeneration				142	-
Scottish Council for Voluntary Organisations				-	2,215
East Ayrshire Council - Pre 5s				31,733	-
Robertson Trust				-	5,724
EAC - young apprentices				60,324	30,000
Children In Need				28,596	9,012
EAC - European Structural Fund P5				-	34,577
Youth link fund				10,678	-
Corra Foundation				-	38,973
COVID support				1,052	880
Scottish Childrens Lottery				8,766	8,783
Peer Recovery				3,511	-
STV appeal				6	-
Kickstart employment program				2,954	-
				<u>189,460</u>	<u>190,988</u>
TOTAL FUNDS				<u>249,123</u>	<u>231,537</u>

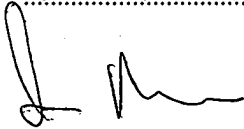
The notes form part of these financial statements

THE ZONE INITIATIVE LTD

BALANCE SHEET - continued
31 MARCH 2022

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 14th December 2022 and were signed on its behalf by:



.....
I Rowan - Trustee

THE ZONE INITIATIVE LTD

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>3,977</u>	<u>251,502</u>
Net cash provided by operating activities		<u>3,977</u>	<u>251,502</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(5,906)</u>	<u>(33,874)</u>
Net cash used in investing activities		<u>(5,906)</u>	<u>(33,874)</u>
 Change in cash and cash equivalents in the reporting period		 <u>(1,929)</u>	 <u>217,628</u>
Cash and cash equivalents at the beginning of the reporting period		<u>241,831</u>	<u>24,203</u>
 Cash and cash equivalents at the end of the reporting period		 <u><u>239,902</u></u>	 <u><u>241,831</u></u>

The notes form part of these financial statements

THE ZONE INITIATIVE LTD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	17,586	211,608
Adjustments for:		
Depreciation charges	6,113	5,284
Loss on disposal of fixed assets	15	62
Decrease in debtors	2,015	2,808
(Decrease)/increase in creditors	(21,752)	31,740
Net cash provided by operations	<u>3,977</u>	<u>251,502</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>241,831</u>	<u>(1,929)</u>	<u>239,902</u>
	<u>241,831</u>	<u>(1,929)</u>	<u>239,902</u>
Total	<u>241,831</u>	<u>(1,929)</u>	<u>239,902</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 4% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities. The company is not registered for Value Added Tax.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Format of the financial statements

The financial statements have been adapted from the format prescribed in the Companies Act 2006 due to the special nature of the company's business in order to comply with the requirement to give a true and fair view, as permitted by section 396 paragraph 5 of the Companies Act 2006.

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

2. INCOME FROM CHARITABLE ACTIVITIES

		2022	2021
	Activity	£	£
Training fees	Charitable operations	7,607	7,206
Grass Cutting	Charitable operations	5,509	2,321
Local donations	Charitable operations	15,819	14,988
Post Office	Charitable operations	47,050	24,769
Job retention scheme	Charitable operations	22,783	122,219
Grants - Big lottery fund	Charitable operations	21,018	105,868
Grants -EAC	Charitable operations	14,380	94,700
Grants - Kickstart	Charitable operations	46,828	-
Grants - Scot Children			
Lottery	Charitable operations	10,000	10,000
Grants - Peer Recovery	Charitable operations	6,050	-
Grants-STV	Charitable operations	10,000	-
Grants - Youth link fund	Charitable operations	12,059	-
Grants - Coalfields	Charitable operations	24,035	-
Grants - Corra	Charitable operations	6,050	74,744
Grants - Shire Housing	Charitable operations	8,500	3,625
Grants - SCVO	Charitable operations	-	22,723
Grants - EAC - pre 5s	Charitable operations	50,149	-
Grants - Robertson Trust	Charitable operations	-	15,000
Grants - Reshaping			
Communities	Charitable operations	70,000	82,501
Grants - Foundation Scotland	Charitable operations	-	8,100
Grants - EAC young			
apprentices	Charitable operations	119,440	30,000
Grants - Inspiring Scotland	Charitable operations	-	2,000
Grants - Children In Need	Charitable operations	111,000	28,500
Grants - EAC - ESF P5	Charitable operations	-	50,149
Grants - Young Starts	Charitable operations	-	10,000
Grants - Paths for All	Charitable operations	-	375
		<u>608,277</u>	<u>709,788</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 4) £	Support costs (see note 5) £	Totals £
Charitable operations	<u>579,593</u>	<u>4,970</u>	<u>584,563</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

4. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	449,482	331,872
Hire of equipment	3,615	3,337
Rent, rates and insurance	17,984	8,613
Repairs and renewals	6,892	16,708
Light, heat & cleaning	9,882	6,429
Telephone	3,126	2,334
Postage, stationery & advert	1,835	6,425
Sundries	782	284
Training expenses	11,593	1,449
Travel expenses	29,505	26,458
Curriculum costs	16,599	420
Hire of equipment	2,946	3,277
Protective clothing	904	75
Subscriptions	110	110
Purchase of equipment	2,444	-
Eco tunnel and allotment costs	-	41
COVID support/foodbank items	12,302	80,587
Meals on Wheels	9,592	-
	<u>579,593</u>	<u>488,419</u>

5. SUPPORT COSTS

	Finance	Other	Governance costs	Totals
	£	£	£	£
Other resources expended	-	15	-	15
Charitable operations	954	-	4,016	4,970
	<u>954</u>	<u>15</u>	<u>4,016</u>	<u>4,985</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	4,016	3,604
Depreciation - owned assets	6,111	5,284
Hire of plant and machinery	3,615	3,337
Deficit on disposal of fixed assets	15	62
	<u>13,757</u>	<u>12,287</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

8. STAFF COSTS

	2022 £	2021 £
Wages	430,614	316,320
Social security cost	18,868	15,552
	<u>449,482</u>	<u>331,872</u>

The company had no employees who were paid at a rate in excess of £60,000 per annum in the year (2021: nil).

The average number of permanent employees during the year was as follows:-

	2022	2021
Management and administration	5	5
Program staff	29	21
	<u>34</u>	<u>26</u>

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable operations	<u>262,764</u>	<u>447,024</u>	<u>709,788</u>
EXPENDITURE ON			
Charitable activities			
Charitable operations	224,033	268,859	492,892
Other	<u>5,287</u>	<u>1</u>	<u>5,288</u>
Total	<u>229,320</u>	<u>268,860</u>	<u>498,180</u>
NET INCOME	33,444	178,164	211,608
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>7,105</u>	<u>12,824</u>	<u>19,929</u>
TOTAL FUNDS CARRIED FORWARD	<u>40,549</u>	<u>190,988</u>	<u>231,537</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2021	44,104	33,874	29,425	107,403
Additions	2,900	-	3,006	5,906
Disposals	-	-	(1,583)	(1,583)
At 31 March 2022	47,004	33,874	30,848	111,726
DEPRECIATION				
At 1 April 2021	27,564	3,388	29,037	59,989
Charge for year	1,880	3,387	844	6,111
Eliminated on disposal	-	-	(1,568)	(1,568)
At 31 March 2022	29,444	6,775	28,313	64,532
NET BOOK VALUE				
At 31 March 2022	17,560	27,099	2,535	47,194
At 31 March 2021	16,540	30,486	388	47,414

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Grants receivable	-	2,015

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	22,152	14,977
Social security and other taxes	15,821	4,746
Prepaid income	-	40,000
	37,973	59,723

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	33,103	9,781	42,884
Reshaping Communities	7,446	9,333	16,779
	<u>40,549</u>	<u>19,114</u>	<u>59,663</u>
Restricted funds			
Lottery	60,824	(19,126)	41,698
Coalfields Regeneration	-	142	142
Scottish Council for Voluntary Organisations	2,215	(2,215)	-
East Ayrshire Council - Pre 5s	34,577	(2,844)	31,733
Robertson Trust	5,724	(5,724)	-
EAC - young apprentices	30,000	30,324	60,324
Children In Need	9,012	19,584	28,596
Youth link fund	-	10,678	10,678
Corra Foundation	38,973	(38,973)	-
COVID support	880	172	1,052
Scottish Childrens Lottery	8,783	(17)	8,766
Peer Recovery	-	3,511	3,511
STV appeal	-	6	6
Kickstart employment program	-	2,954	2,954
	<u>190,988</u>	<u>(1,528)</u>	<u>189,460</u>
TOTAL FUNDS	<u><u>231,537</u></u>	<u><u>17,586</u></u>	<u><u>249,123</u></u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	96,962	(87,181)	9,781
Reshaping Communities	70,000	(60,667)	9,333
	<u>166,962</u>	<u>(147,848)</u>	<u>19,114</u>
Restricted funds			
Lottery	24,614	(43,740)	(19,126)
Coalfields Regeneration	24,111	(23,969)	142
Scottish Council for Voluntary Organisations	-	(2,215)	(2,215)
East Ayrshire Council - Pre 5s	59,435	(62,279)	(2,844)
Robertson Trust	-	(5,724)	(5,724)
EAC - young apprentices	119,483	(89,159)	30,324
Children In Need	115,740	(96,156)	19,584
Youth link fund	12,059	(1,381)	10,678
Corra Foundation	6,050	(45,023)	(38,973)
COVID support	6,321	(6,149)	172
Scottish Childrens Lottery	10,558	(10,575)	(17)
Peer Recovery	6,050	(2,539)	3,511
STV appeal	10,000	(9,994)	6
Kickstart employment program	46,894	(43,940)	2,954
	<u>441,315</u>	<u>(442,843)</u>	<u>(1,528)</u>
TOTAL FUNDS	<u>608,277</u>	<u>(590,691)</u>	<u>17,586</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	6,208	26,895	33,103
Reshaping Communities	897	6,549	7,446
	<u>7,105</u>	<u>33,444</u>	<u>40,549</u>
Restricted funds			
Lottery	1,944	58,880	60,824
Scottish Council for Voluntary Organisations	2,196	19	2,215
Robertson Trust	1,245	4,479	5,724
People & Communities	2,630	(2,630)	-
EAC - young apprentices	-	30,000	30,000
Children In Need	88	8,924	9,012
EAC - European Structural Fund P5	1,585	32,992	34,577
Development Trust	2,900	(2,900)	-
Corra Foundation	-	38,973	38,973
COVID support	236	644	880
Scottish Childrens Lottery	-	8,783	8,783
	<u>12,824</u>	<u>178,164</u>	<u>190,988</u>
TOTAL FUNDS	<u>19,929</u>	<u>211,608</u>	<u>231,537</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	180,263	(153,368)	26,895
Reshaping Communities	82,501	(75,952)	6,549
	<u>262,764</u>	<u>(229,320)</u>	<u>33,444</u>
Restricted funds			
Lottery	111,216	(52,336)	58,880
Scottish Council for Voluntary Organisations	22,723	(22,704)	19
Robertson Trust	20,724	(16,245)	4,479
People & Communities	-	(2,630)	(2,630)
EAC - young apprentices	30,000	-	30,000
Inspiring Scotland	2,000	(2,000)	-
Children In Need	34,036	(25,112)	8,924
EAC - European Structural Fund P5	63,530	(30,538)	32,992
Development Trust	-	(2,900)	(2,900)
Paths for All	375	(375)	-
Corra Foundation	111,649	(72,676)	38,973
COVID support	39,983	(39,339)	644
Scottish Childrens Lottery	10,788	(2,005)	8,783
	<u>447,024</u>	<u>(268,860)</u>	<u>178,164</u>
TOTAL FUNDS	<u>709,788</u>	<u>(498,180)</u>	<u>211,608</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.20 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	6,208	36,676	42,884
Reshaping Communities	897	15,882	16,779
	<u>7,105</u>	<u>52,558</u>	<u>59,663</u>
Restricted funds			
Lottery	1,944	39,754	41,698
Coalfields Regeneration	-	142	142
Scottish Council for Voluntary Organisations	2,196	(2,196)	-
East Ayrshire Council - Pre 5s	-	(2,844)	(2,844)
Robertson Trust	1,245	(1,245)	-
People & Communities	2,630	(2,630)	-
EAC - young apprentices	-	60,324	60,324
Children In Need	88	28,508	28,596
EAC - European Structural Fund P5	1,585	32,992	34,577
Youth link fund	-	10,678	10,678
Development Trust	2,900	(2,900)	-
COVID support	236	816	1,052
Scottish Childrens Lottery	-	8,766	8,766
Peer Recovery	-	3,511	3,511
STV appeal	-	6	6
Kickstart employment program	-	2,954	2,954
	<u>12,824</u>	<u>176,636</u>	<u>189,460</u>
TOTAL FUNDS	<u>19,929</u>	<u>229,194</u>	<u>249,123</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	277,225	(240,549)	36,676
Reshaping Communities	152,501	(136,619)	15,882
	<u>429,726</u>	<u>(377,168)</u>	<u>52,558</u>
Restricted funds			
Lottery	135,830	(96,076)	39,754
Coalfields Regeneration	24,111	(23,969)	142
Scottish Council for Voluntary Organisations	22,723	(24,919)	(2,196)
East Ayrshire Council - Pre 5s	59,435	(62,279)	(2,844)
Robertson Trust	20,724	(21,969)	(1,245)
People & Communities	-	(2,630)	(2,630)
EAC - young apprentices	149,483	(89,159)	60,324
Inspiring Scotland	2,000	(2,000)	-
Children In Need	149,776	(121,268)	28,508
EAC - European Structural Fund P5	63,530	(30,538)	32,992
Youth link fund	12,059	(1,381)	10,678
Development Trust	-	(2,900)	(2,900)
Paths for All	375	(375)	-
Corra Foundation	117,699	(117,699)	-
COVID support	46,304	(45,488)	816
Scottish Childrens Lottery	21,346	(12,580)	8,766
Peer Recovery	6,050	(2,539)	3,511
STV appeal	10,000	(9,994)	6
Kickstart employment program	46,894	(43,940)	2,954
	<u>888,339</u>	<u>(711,703)</u>	<u>176,636</u>
TOTAL FUNDS	<u>1,318,065</u>	<u>(1,088,871)</u>	<u>229,194</u>

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

THE ZONE INITIATIVE LTD

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Charitable activities		
Training fees	7,607	7,206
Grass Cutting	5,509	2,321
Local donations	15,819	14,988
Post Office	47,050	24,769
Job retention scheme	22,783	122,219
Grants - Big lottery fund	21,018	105,868
Grants -EAC	14,380	94,700
Grants - Kickstart	46,828	-
Grants - Scot Children Lottery	10,000	10,000
Grants - Peer Recovery	6,050	-
Grants-STV	10,000	-
Grants - Youth link fund	12,059	-
Grants - Coalfields	24,035	-
Grants - Corra	6,050	74,744
Grants - Shire Housing	8,500	3,625
Grants - SCVO	-	22,723
Grants - EAC - pre 5s	50,149	-
Grants - Robertson Trust	-	15,000
Grants - Reshaping Communities	70,000	82,501
Grants - Foundation Scotland	-	8,100
Grants - EAC young apprentices	119,440	30,000
Grants - Inspiring Scotland	-	2,000
Grants - Children In Need	111,000	28,500
Grants - EAC - ESF P5	-	50,149
Grants - Young Starts	-	10,000
Grants - Paths for All	-	375
	608,277	709,788
Total incoming resources	608,277	709,788
EXPENDITURE		
Charitable activities		
Wages	449,482	331,872
Hire of equipment	3,615	3,337
Rent, rates and insurance	17,984	8,613
Repairs and renewals	6,892	16,708
Light, heat & cleaning	9,882	6,429
Telephone	3,126	2,334
Postage, stationery & advert	1,835	6,425
Sundries	782	284
Training expenses	11,593	1,449
Travel expenses	29,505	26,458
Curriculum costs	16,599	420
Carried forward	551,295	404,329

This page does not form part of the statutory financial statements

THE ZONE INITIATIVE LTD**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Charitable activities		
Brought forward	551,295	404,329
Hire of equipment	2,946	3,277
Protective clothing	904	75
Subscriptions	110	110
Purchase of equipment	2,444	-
Eco tunnel and allotment costs	-	41
COVID support/foodbank items	12,302	80,587
Meals on Wheels	9,592	-
	<u>579,593</u>	<u>488,419</u>
Other		
Depreciation of tangible fixed assets	6,113	5,288
Support costs		
Finance		
Bank charges	954	807
Other		
Loss on sale of tangible fixed assets	15	62
Governance costs		
Auditors' remuneration	4,016	3,604
Total resources expended	<u>590,691</u>	<u>498,180</u>
Net income	<u>17,586</u>	<u>211,608</u>