

The Ridge Foundations CIC
Report of the Directors and
Financial Statements
for the Year Ended 31 March 2021

Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AT

The Ridge Foundations CIC

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for the Year Ended 31 March 2021

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The Ridge Foundations CIC
Company Information
for the Year Ended 31 March 2021

DIRECTORS: R Bisset
K J Amabilino
D Kelly
J Irvine

SECRETARY: C Darrah

REGISTERED OFFICE: 40a High Street
Dunbar
EH42 1JH

REGISTERED NUMBER: SC545545 (Scotland)

SENIOR STATUTORY AUDITOR: Kevin Cattanach

AUDITORS: Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AT

The Ridge Foundations CIC

Report of the Directors for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of construction of building projects to benefit the community.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

R Bisset
K J Amabilino
D Kelly
J Irvine

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Whitelaw Wells, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Ridge Foundations CIC

Report of the Directors
for the Year Ended 31 March 2021

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
J Irvine - Director

Date:

Report of the Independent Auditors to the Members of
The Ridge Foundations CIC

Opinion

We have audited the financial statements of The Ridge Foundations CIC (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, Balance Sheet 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its surplus 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.

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 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 directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

Report of the Independent Auditors to the Members of
The Ridge Foundations CIC

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the 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 Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors 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 directors determine 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
The Ridge Foundations CIC

Auditors' 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We tested a sample of income and expenditure transactions designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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 Auditors.

Report of the Independent Auditors to the Members of
The Ridge Foundations CIC

Use of our report

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

Kevin Cattanach (Senior Statutory Auditor)
for and on behalf of Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AT

Date:

The Ridge Foundations CIC

Income Statement
for the Year Ended 31 March 2021

	Notes	Year Ended 31.3.21 £	Period 6.4.19 to 31.3.20 £
TURNOVER		243,805	276,374
Cost of sales		19,316	45,629
GROSS SURPLUS		224,489	230,745
Administrative expenses		216,633	228,963
OPERATING SURPLUS	4	7,856	1,782
Interest payable and similar expenses		590	541
SURPLUS BEFORE TAXATION		7,266	1,241
Tax on surplus	5	1,616	-
SURPLUS FOR THE FINANCIAL YEAR		5,650	1,241

The notes form part of these financial statements

The Ridge Foundations CIC (Registered number: SC545545)

Balance Sheet
31 March 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	6		7,907		9,019
CURRENT ASSETS					
Debtors	7	12,195		9,287	
Cash at bank		11,616		2,971	
		<u>23,811</u>		<u>12,258</u>	
CREDITORS					
Amounts falling due within one year	8	18,349		12,110	
NET CURRENT ASSETS					
			<u>5,462</u>		<u>148</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			13,369		9,167
CREDITORS					
Amounts falling due after more than one year	9		(4,917)		(7,867)
PROVISIONS FOR LIABILITIES					
			<u>(1,502)</u>		<u>-</u>
NET ASSETS					
			<u>6,950</u>		<u>1,300</u>
RESERVES					
Income and expenditure account			<u>6,950</u>		<u>1,300</u>
			<u>6,950</u>		<u>1,300</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

.....
J Irvine - Director

The notes form part of these financial statements

The Ridge Foundations CIC

Notes to the Financial Statements for the Year Ended 31 March 2021

1. STATUTORY INFORMATION

The Ridge Foundations CIC is a private company, limited by guarantee, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents gross invoiced sales of construction services income. Turnover and other income is recognised when the company earns the right to the income by provision of services and performances. Other income comprises grants and donations, which are recognised when received unless related to specific services and performances, in which case they are recognised when the company earns the right to the income by provision of the service or performance. The company is registered for VAT and, accordingly, VAT is charged.

Tangible fixed assets

Depreciation is provided at the following rates to write off each asset over its estimated useful life:

Plant and machinery etc - In accordance with the length of the HP agreement

Financial instruments

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Ridge Foundations CIC

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to surplus or deficit on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 11 (2020 - 9).

4. OPERATING SURPLUS

The operating surplus is stated after charging:

	Year Ended 31.3.21 £	Period 6.4.19 to 31.3.20 £
Depreciation - owned assets	<u>4,828</u>	<u>4,502</u>

The Ridge Foundations CIC

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

5. TAXATION

Analysis of the tax charge

The tax charge on the surplus for the year was as follows:

	Year Ended 31.3.21 £	Period 6.4.19 to 31.3.20 £
Current tax:		
UK corporation tax	114	-
Deferred tax	1,502	-
Tax on surplus	<u>1,616</u>	<u>-</u>

UK corporation tax has been charged at 19% (2020 - 19%).

6. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 April 2020	13,521
Additions	3,716
At 31 March 2021	<u>17,237</u>
DEPRECIATION	
At 1 April 2020	4,502
Charge for year	4,828
At 31 March 2021	<u>9,330</u>
NET BOOK VALUE	
At 31 March 2021	<u>7,907</u>
At 31 March 2020	<u>9,019</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	<u>12,195</u>	<u>9,287</u>

The Ridge Foundations CIC

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Trade creditors	315	-
Taxation and social security	12,158	2,832
Other creditors	5,876	9,278
	<u>18,349</u>	<u>12,110</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2021	2020
	£	£
Other creditors	4,917	7,867
	<u>4,917</u>	<u>7,867</u>

10. ULTIMATE CONTROLLING PARTY

The company is a 100% subsidiary undertaking of The Ridge SCIO, which is an unincorporated charity recognised by the Office of the Scottish Charity Regulator, whose principal place of business is 40A High Street, Dunbar, East Lothian, Scotland. Consolidated financial statements are available on request.

11. LIMITED BY GUARANTEE

The company is limited by guarantee and has no share capital. In the event of the company being wound up members are each required to contribute an amount not exceeding £1.

12. GOING CONCERN

The financial statements have been prepared on the going concern principle, which assumes that the company will continue to trade in the foreseeable future.

Subsequent to the year end the impact of the pandemic on the general economy and working environment has continued. The potential effect on the finances and operational activities of the company has been assessed by management and the board, and steps have been taken to mitigate these risks, resulting in a positive financial performance during the first half of the financial year 2021/22, as shown by the management accounts prepared for the current financial period which show a significant surplus. The directors have prepared projections for the period to 31 October 2022 which demonstrate continued profits and cash inflow that will allow liabilities to be met as they fall due.

The directors are satisfied that continued support from The Ridge SCIO, together with the mitigation steps taken to date, provide reasonable assurance that the company will continue to operate for at least 12 months from the approval of these financial statements. Accordingly, the directors have continued to adopt the going concern basis of accounting.

The Ridge Foundations CIC

Detailed Income and Expenditure Account
for the Year Ended 31 March 2021

	Year Ended 31.3.21		Period 6.4.19 to 31.3.20	
	£	£	£	£
Turnover				
Sales	112,984		86,894	
Grants	117,219		170,106	
Donations	13,602		19,374	
	<u> </u>	243,805	<u> </u>	276,374
Cost of sales				
Purchases	15,480		38,336	
Sub-contractor	3,836		7,293	
	<u> </u>	19,316	<u> </u>	45,629
GROSS SURPLUS		224,489		230,745
Expenditure				
Insurance	1,397		465	
Wages	167,544		127,562	
Social security	6,336		21,410	
Pensions	2,708		3,314	
Telephone	-		30	
Post and stationery	14		66	
Advertising	-		137	
Travelling	70		-	
Motor expenses	2,321		2,346	
Repairs and renewals	6,485		1,833	
Household and cleaning	-		763	
Computer costs	393		175	
Sundry expenses	303		122	
Community Engagement	-		10,000	
Staff Training	9,371		13,882	
Business Development Costs	-		80	
Accountancy	3,000		1,200	
Volunteer Expenses	-		70	
Subscriptions	568		-	
Professional fees	2,975		36,059	
Depreciation of tangible fixed assets	4,829		4,502	
Promotions and exhibitions	-		860	
Hire of plant and machinery	8,319		3,987	
	<u> </u>	216,633	<u> </u>	228,863
Carried forward		7,856		1,882

This page does not form part of the statutory financial statements

The Ridge Foundations CIC

Detailed Income and Expenditure Account
for the Year Ended 31 March 2021

	Year Ended 31.3.21		Period 6.4.19 to 31.3.20	
	£	£	£	£
Brought forward		7,856		1,882
Finance costs				
Bank charges	-		100	
HP interest	590		541	
	<u>590</u>	<u>590</u>	<u>541</u>	<u>641</u>
NET SURPLUS		<u>7,266</u>		<u>1,241</u>

This page does not form part of the statutory financial statements