Charity registration number: SC043661

Project Northern Lights

Annual Report and Financial Statements

for the Year Ended 31 December 2023

Project Northern Lights

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Reference and Administrative Details

Trustees	[redacted]
Principal Office	Kindrochit House Ardtalnaig by Aberfeldy Perthshire PH15 2HX
Charity Registration Number	SC043661
Independent Examiner	[redacted] Institute of Chartered Accountants of Scotland Morris & Young Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

Project Northern Lights

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2023.

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 founding document, applicable law and the Statement of Recommended Practice, "Accounting and Reporting by Charities", 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).

Trustees

The Trustees who served during the year were:

[redacted]

Structure, governance and management

Nature of governing document

Project Northern Lights was registered as a Scottish Charitable Incorporated Organisation ("SCIO") on 19 December 2012 and is governed by its Constitution.

Recruitment and appointment of trustees

New trustees are appointed by the existing trustees in accordance with the terms of the Constitution.

Induction and training of trustees

The trustees have received professional advice on their duties and responsibilities and have been provided with copies of the guidance issued by OSCR. This procedure will be repeated when new trustees are appointed.

Organisational structure

The Charity is managed by the trustees in accordance with the terms of its Constitution. All decisions regarding the investment of the Charity's funds and the application of those funds are made by the trustees.

Objectives and activities

Objects and aims

The objects of the Charity are: to relieve unemployment in young people in Scotland by supporting them through a structured programme of activity, culminating in being opportunity ready for employment, education or training and enabling access to relevant opportunities; to advance education through facilitating a series of skill-building training activities and promoting access to further training and education activities; to organise recreational activities in support of other training, to increase the self-esteem, raise aspirations and build core skills of young people; and to advance citizenship by encouraging and promoting volunteering and community development. The Charity operates in Scotland and surrounding areas.

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Trustees' Report

Achievements and performance

The Trustees were pleased that in 2023 we were able to continue the pilot project of the Coffee Academy, run in partnership with Glen Lyon Coffee. A further cohort of pupils from Breadalbane Academy were identified, and a co-ordinator appointed to oversee the administration of training delivered by an SCA certified trainer.

Financial review

Policy on reserves

The Charity's policy is to maintain a level of reserves sufficient to enable the charity to maintain its activities in the medium to long term.

Unrestricted funds at the year end were £14 (2022 - £14) while restricted funds were £1,793 (2022 - £5,304). These are lower than the Trustees would like, and steps have been taken to address this in 2024, including additional fundraising. By the end of 2024, there was an improvement in this figure.

Financial instruments

Objectives and policies

The Charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate its exposure to major risks including arrangements to review the risks on a regular basis.

Cash flow risk

The Trustees have retained sufficient cash resources to meet the immediate requirements of the charity.

Credit risk

The Charity's principal financial assets are bank balances.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity liquid funds are kept in non-interest-bearing bank accounts for servicing the charity's everyday financial needs.

Project Northern Lights

Trustees' Report

The annual report was approved by the trustees of the charity on 21 January 2025 and signed on its behalf by:

[redacted]

Project Northern Lights

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 period. 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 business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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 Constitution. The trustees 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.

Independent Examiner's Report to the trustees of Project Northern Lights

I report on the accounts of the charity for the year ended 31 December 2023 which are set out on pages 7 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1)which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

(2)to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

[redacted]
Institute of Chartered Accountants of Scotland
Morris & Young
Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

Date: 6.3.25

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Statement of Financial Activities for the Year Ended 31 December 2023

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	2	-	-	-	2,000
Expenditure on:					
Charitable activities	3	-	(3,511)	(3,511)	(4,102)
Total Expenditure		-	(3,511)	(3,511)	(4,102)
Net movement in funds		-	(3,511)	(3,511)	(2,102)
Reconciliation of funds					
Total funds brought forward		14	5,304	5,318	7,420
Total funds carried forward	10	14	1,793	1,807	5,318

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 and 2023 are shown in note 10.

Project Northern Lights

(Registration number: SC043661)
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	7	1,714	2,285
Current assets			
Cash at bank and in hand	8	309	3,249
Creditors: Amounts falling due within one year	9	(216)	(216)
Net current assets		93	3,033
Net assets		1,807	5,318
Funds of the charity:			
Restricted		1,793	5,304
Unrestricted income funds			
Unrestricted		14	14
Total funds	10	1,807	5,318

The financial statements on pages 7 to 14 were approved by the trustees, and authorised for issue on 21 January 2025 and signed on their behalf by:

[redacted]

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Notes to the Financial Statements for the Year Ended 31 December 2023

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of preparation

Project Northern Lights meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The mission of Project Northern Lights is to act as a catalyst for projects that have the potential to have long-term impact on the employability or opportunities available to young people in Scotland. As such, the Trustees have agreed to only hold a very minimal level of unrestricted reserves to maintain it as an entity with minimal core costs.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Charitable activities

Income from charitable activities is recognised as the related goods and services are provided and where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income from charitable activities includes income received under contract and grant funding to specific service conditions.

Expenditure
All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation
The charity is exempt from tax on its charitable activities.

Tangible fixed assets
Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	**Depreciation method and rate**
Plant and machinery	25% on cost

Fund structure
Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

2 Income from donations and legacies

	Total 2023 £	Total 2022 £
Grants, including capital grants;		
Grants from other charities	-	2,000
	-	2,000

3 Expenditure on charitable activities

	Restricted funds £	Total 2023 £	Total 2022 £
Wages	1,500	1,500	1,580
Training	1,440	1,440	1,200
Project consumables	-	-	300
Sundry costs	-	-	200
Governance costs	-	-	60
Depreciation	571	571	762
	3,511	3,511	4,102

4 Analysis of governance and support costs

Governance costs

	Total 2023 £	Total 2022 £
Independent Examiner's remuneration	-	60
	-	60

5 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

6 Taxation

No tax was charged in the year (2022 - £nil).

7 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 January 2023	4,063	4,063
At 31 December 2023	4,063	4,063
Depreciation		
At 1 January 2023	1,778	1,778
Charge for the year	571	571
At 31 December 2023	2,349	2,349
Net book value		
At 31 December 2023	1,714	1,714
At 31 December 2022	2,285	2,285

8 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	309	3,249

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	216	216

10 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Balance at 31 December 2023 £
Unrestricted				
General				
General Fund	14	-	-	14
Restricted				
Barista Academy Project Fund	5,304	-	(3,511)	1,793
Total funds	5,318	-	(3,511)	1,807

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
Unrestricted general funds				
General Fund	74	-	(60)	14
Restricted funds				
Barista Academy Project Fund	7,346	2,000	(4,042)	5,304
Total funds	7,420	2,000	(4,102)	5,318

The Barista Academy Project Fund represents monies received from The Big Lottery, Death Trust and SSE Griffin to offer free barista training to young people from the area, enabling them to gain an internationally recognised qualification that would increase their employability prospects.

Notes to the Financial Statements for the Year Ended 31 December 2023

11 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds 2023 £
Tangible fixed assets	-	1,714	1,714
Current assets	230	79	309
Current liabilities	(216)	-	(216)
Total net assets	14	1,793	1,807

	Unrestricted funds General £	Restricted funds £	Total funds 2022 £
Tangible fixed assets	-	2,285	2,285
Current assets	230	3,019	3,249
Current liabilities	(216)	-	(216)
Total net assets	14	5,304	5,318

12 Related party transactions

There were no related party transactions in the year.