

Waterfall Fund
Unaudited Financial Statements
31 January 2025

R A CLEMENT ASSOCIATES CHARTERED ACCOUNTANTS

Chartered accountants
5 Argyll Square
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PA34 4AZ

Waterfall Fund

Financial Statements

Year ended 31 January 2025

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Waterfall Fund

Trustees' Annual Report

Year ended 31 January 2025

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 January 2025.

Reference and administrative details

Registered charity name Waterfall Fund

Charity registration number SC045361

Independent examiner

Accountants
5 Argyll Square
Oban
Argyll
PA34 4AZ

R A Clement Associates Chartered

Structure, governance and management

The charity is constituted as a Scottish Charitable Incorporated Organisation (SCIO) and governed by its written Constitution.

The Waterfall Fund was established as an independent charity by Mull & Iona Community Trust (MICT) in 2015 specifically to receive the net profits from the Garmony Hydro Scheme and to distribute them as grants to community projects on the islands of Mull, Iona and the surrounding small islands, in a fair, open and transparent manner.

There are nine Trustees of the Waterfall Fund, appointed from statutory positions within the local community: Local Authority Councillor, Community Councillors from Mull and Iona, General Practitioner, head teachers, church minister and bank manager plus two co-opted members of the diaspora of Mull and Iona who have strong links to the islands.

Waterfall Fund

Trustees' Annual Report *(continued)*

Year ended 31 January 2025

Structure, governance and management *(continued)*

The day to day activities of the charity are managed by the co-chairs with regular communication between the whole board with assistance from administrators who are paid directly by Green Energy Mull.

Investment powers, policy and performance

1 The organisation's purposes are:

- 1.1 The prevention or relief of poverty.
- 1.2 The advancement of education
- 1.3 The advancement of religion
- 1.4 The advancement of health
- 1.5 The advancement of citizenship or community development
- 1.6 The advancement of the arts, heritage, culture or science
- 1.7 The advancement of public participation in sport
- 1.8 The provision of recreational facilities, or the organisation of recreational activities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.
- 1.9 The advancement of environmental protection or improvement
- 1.10 The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage

2 The area within which the organisation shall operate (in this constitution referred to as the 'Area of Benefit') shall be the post code districts PA62, PA63, PA64, PA65, PA66, PA67, PA68, PA69, PA70, PA71, PA72, PA73, PA74, PA75 and PA76.

In accordance with the Constitution, the Trustees have the power to invest in such stocks, shares, investments and property in the UK as they see fit. The directors have considered the most appropriate policy for investing funds and have decided that surplus funds should be held in a mixture of current and investment accounts to optimise interest earned and accessibility. This policy is under constant review.

Governance and internal control

Principles of operation of the Waterfall Fund.

1. The Waterfall Fund will be registered as a Scottish Charitable Incorporated Organisation (SCIO)
 2. The Waterfall Fund will be independent of any other organisation, but as a SCIO will be regulated by the Office of the Scottish Charity Regulator
 3. Trustees of the SCIO will be drawn from appointees to positions including (current or retired): Head Teachers, GPs or Community Nurses, Local Councillors, convenors or members of Community Councils, Bank Managers, Ministers or Church Elders, other Elders from any of the islands covered by the Fund
 4. Trustees will sign up to a code of conduct
 5. The Trustees will draw up eligibility criteria for applicants to the Waterfall Fund. These criteria will be reviewed from time to time by the Trustees.
 6. The Trustees will draw up priorities for projects and causes that may be supported by the Waterfall Fund. These priorities will be informed by community development plans and also by local knowledge of issues faced within the community. These priorities will be reviewed from time to time by the Trustees
 7. The Trustees will consider applications once every four months. This frequency will be reviewed from time to time by the Trustees
 8. Grants will be made only once a funding agreement has been signed by the beneficiary
 9. Grants will be conditional on monitoring and evaluation reports being provided by beneficiaries, confirming that the monies have been spent and outcomes achieved
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Waterfall Fund

Trustees' Annual Report *(continued)*

Year ended 31 January 2025

Objectives and activities

The objectives of the Trustees in distributing the Waterfall Funds have not altered but there has been a gradual shift.

More money is now paid out to individuals and households - see below. This began during Covid and has continued since with many of those payments now being linked to hardship caused by the rising cost of living, particularly in terms of paying to heat homes, and the costs of washing and cooking. This fits in well with the aims and ethos of Green Energy Mull.

There is also an increasing emphasis on supporting community projects which reduce social isolation of residents and give them opportunities to meet together to chat and eat on a more regular basis. This reflects the demographics of the community and the particular isolation experienced during the Covid period.

Post-Covid, the number of community groups applying for funding for projects that would be transformational within the community has reduced. However, the Trustees have now begun to see that local people have again picked up the reins of their interests and groups and a wider range of project applications has begun. They look forward to seeing these more innovative projects become even more evident in 2024.

Achievements and performance

In excess of £130,000 was paid out in grants over 2024.

The administrative support provided by MICT (and paid for by Green Energy Mull) enables the Trustees to work efficiently and effectively.

FUEL HARDSHIP AND CRISIS GRANTS

The Trustees continued to prioritise applications from those in Fuel Hardship or personal crisis. These applications can be made at any time and the Trustees aim to respond within two weeks maximum, usually much sooner.

In 2024, £18,175 was paid out for Fuel Hardship; around 70 households received a minimum payment of £250. Decisions are largely based on Trust but proof of residency is asked of new applicants. The Fuel Fund and Crisis Fund applications have been streamlined by putting them online; this allows applicants to receive signposted help more quickly and makes getting help easier for most.

There is a Sub-Committee of three Trustees to consider applications for personal crisis. This is to ensure confidentiality and also to speed up the process of agreement. Crisis payments can be made for a wide variety of reasons e.g. for loss of possessions due to fire, emergency travel expenses due to bereavement, an unexpected set of coincidental expenses in a household. Another £7500 was paid out in Crisis Payments of between £250 and £500.

JONNY PATON MEMORIAL FUND

£5,000 has been paid out from this fund to young people to help with expenses such as University costs, cycle and badminton training, and drumming tuition.

BUSINESS START-UPS

2 applications and £1000 paid out.

MAIN COMMUNITY GRANTS

A total of £40,585.64 was paid out.

A range of projects have been supported including a rain shelters for a local golf club, a floating classroom, IT upgrades for a local church, and an art project. In total, 12 Community Groups grants were awarded.

Waterfall Fund

Trustees' Annual Report *(continued)*

Year ended 31 January 2025

DEVELOPMENT/FEASIBILITY GRANTS

£40,371.50 was paid out, leaving £9,600 unclaimed. The projects included a feasibility study to help refurbish Tobermory's Fisherman's Pier, Lorn Healthy Options pilot programme to encourage greater health awareness on Mull and Iona, and others. This year sees a large increase in Development Fund grants awarded.

SUSTAINABILITY GRANTS

This year £15,764.39 was paid out to 6 individuals and 4 businesses. This represents a huge increase over last year. Increased advertising and word of mouth have made more people aware of the grant. All grants were awarded for solar energy.

COMMUNITY CAFÉ (WARM SPACES) GRANTS

There was a shift from Warm Spaces to be more inclusive of year-round opportunities for groups to host social spaces offering food for anyone who may need to feel included and to decrease social isolation. The new Community Café grant was awarded to 9 community groups for a total of £6,625.00.

COMMUNITY HALL HEATING

Again, in response to higher costs of electricity, £3500 (in grants of £500) was paid out to 8 community spaces towards meeting these costs. This is a decrease from the previous year as one of the spaces installed solar panels, thus reducing their energy consumption and costs.

SCHOOLS GRANT

All funds were carried over to financial year 25/26 due to a delay in the reporting cycle and the need to further refine the process. With assistance from our Trustee who is also in an active teaching role, we established the efficacy of the grants. It is apparent that teachers are under huge pressure and financial strain, and that the grants were essential in helping all students participate in activities offered through the year. The payments for the 2024/25 school year will be paid before the end of June 2025, and there will be a payment for the 2025/26 school year.

ALL PAYMENTS

Over £130K was paid out to the community in 2024. This is roughly £25K less than the total money allocated, which is closer to the allocated funding than the previous year. Better advertising and marketing have added to the increased number of applications and grants awarded.

Financial review

The charity achieved a surplus of £76,120 for the year (2024: £1,851) and held funds of £184,093 (2024 £107,973) at the year end.

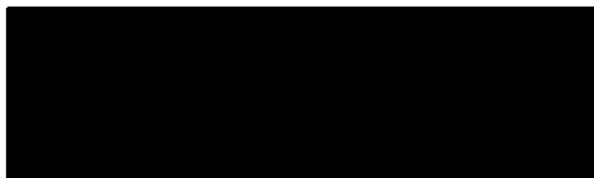
Reserves

The Trustees have agreed that no formal reserves policy is required but are cognisant of retaining funds sufficient to cover Administrative costs and Crisis Funds to cover: Admin costs average

£650/month = £1,950.00 for 3 months.

Crisis Fund yearly allowance = £5,000

The trustees' annual report was approved on 1.10.25 and signed on behalf of the board of trustees by:



Waterfall Fund

Independent Examiner's Report to the Trustees of Waterfall Fund

Year ended 31 January 2025

I report to the trustees on my examination of the financial statements of Waterfall Fund ('the charity') for the year ended 31 January 2025.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 (the '2005 Act') and the Charities Accounts (Scotland) Regulations 2006 (as amended). You are satisfied that your charity is not required by charity law to be audited and have chosen instead to have an independent examination.

I report in respect of my examination of the charity's financial statements as carried out under section 44(1)(c) of the 2005 Act. In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

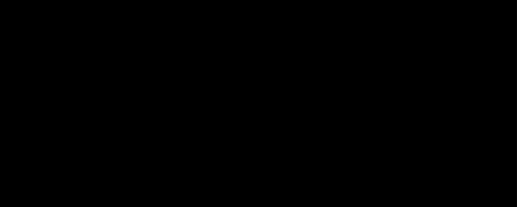
Independent examiner's statement

Since the charity has prepared its accounts on an accruals basis your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of the Association of Chartered Certified Accountants which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention giving me cause to believe that in any material respect:

1. accounting records were not kept as required by section 44(1)(a) of the 2005 Act and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006 (as amended); or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



of R A Clement Associates
Chartered Accountants
Independent Examiner

5 Argyll Square
Oban
Argyll
PA34 4AZ

Waterfall Fund

Receipts & Payments Account

Year ended 31 January 2025

		2025		2024
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	214,830	214,830	113,924
Total income		<u>214,830</u>	<u>214,830</u>	<u>113,924</u>
Expenditure				
Expenditure on charitable activities	5,6	138,710	138,710	112,073
Total expenditure		<u>138,710</u>	<u>138,710</u>	<u>112,073</u>
Net income and net movement in funds		<u>76,120</u>	<u>76,120</u>	<u>1,851</u>
Reconciliation of funds				
Total funds brought forward		107,973	107,973	106,122
Total funds carried forward		<u>184,093</u>	<u>184,093</u>	<u>107,973</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to Error! Bookmark not defined. form part of these financial statements.

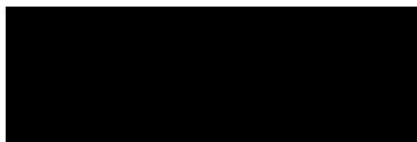
Waterfall Fund

Statement of Balances

31 January 2025

	2024 £	2023 £
Cash at Bank		
Balance b/f	107,973	106,122
Receipts	214,830	113,924
Payments	138,710	112,073
Balance c/f	<u>184,093</u>	<u>107,973</u>
 Assets		
Other debtors	-	230
 Liabilities		
Other creditors	1,200	900

These financial statements were approved by the board of trustees and authorised for issue on 01/10/2025 and are signed on behalf of the board by:



Trustee

Waterfall Fund

Notes to the Financial Statements *(continued)*

Year ended 31 January 2025

1. General information

The charity is a public benefit entity and a registered charity in Scotland and is unincorporated. The address of the principal office is [REDACTED]

2 Basis of preparation

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended)

The financial statements are prepared in sterling, which is the functional currency of the entity.

3. Going concern

There are no material uncertainties about the charity's ability to continue.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Donations				
Donations - Green Energy Mull	214,805	214,805	113,922	113,922
Donations - other	25	25	2	2
	<u>214,830</u>	<u>214,830</u>	<u>113,924</u>	<u>113,924</u>

5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Main grants	93,179	93,179	73,585	73,585
Warm Spaces	6,775	6,775	4,240	4,240
Fuel Hardship Grants	18,175	18,175	22,000	22,000
Crisis Fund	7,250	7,250	6,700	6,700
Community Hall Heating Assistance	3,500	3,500	1,500	1,500
Support costs	9,831	9,831	4,048	4,048
	<u>138,710</u>	<u>138,710</u>	<u>112,073</u>	<u>112,073</u>

6. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2025 £	Total fund 2024 £
Main grants	93,179	—	—	93,179	73,585
Warm Spaces	6,775	—	—	6,775	4,240
Fuel Hardship Grants	—	18,175	—	18,175	22,000
Crisis Fund	7,250	—	—	7,250	6,700
Community Hall Heating Assistance	3,500	—	—	3,500	1,500
Governance costs	—	—	9,831	9,831	4,048
	<u>110,704</u>	<u>18,175</u>	<u>9,831</u>	<u>138,710</u>	<u>112,073</u>

Waterfall Fund

Notes to the Financial Statements *(continued)*

Year ended 31 January 2025

7. Independent examination fees

	2025 £	2024 £
Fees payable to the independent examiner for: Independent examination of the financial statements	1,200	—

8. Staff costs

The average head count of employees during the year was Nil (2024: Nil).

No employee received employee benefits of more than £60,000 during the year (2024: Nil).

9. Trustee remuneration and expenses

The charity trustees, were not paid and did not receive any remuneration, benefits in kind or reimbursement of expenses in their capacity as trustee during the year. No trustee received payment for professional or other services supplied to the charity.

10. Analysis of charitable funds

Unrestricted funds

	At 1 Feb 2024 £	Income £	Expenditure £	At 31 Jan 2025 £
General funds	107,973	214,830	(138,710)	184,093

	At 1 Feb 2023 £	Income £	Expenditure £	At 31 Jan 2024 £
General funds	106,122	113,924	(112,073)	107,973

12. Conflicts of interest

The charity operates a policy to deal with potential conflicts of interest. This includes maintaining a register of board members/directors interests and relationship or position with other firms or organisations.

Whenever a board member/director has an interest in any item discussed by the Board, they take no part in the discussions or decision making process.

13. Related parties

The charity identifies related party transactions as those involving trustees, key management personnel, or entities closely connected to them. All such transactions are disclosed unless they are conducted at arm's length and within normal operating procedures. The charity maintains a register of interests and enforces a strict conflict of interest policy to ensure transparency and protect the integrity of decision-making.