

SKDT - please sign

Company registration number: SC349971

Charity registration number: SC042018

Contents

South Kintyre Development Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2017

Dunlop & Co CA
Knockbay House
Kilkerran Road
Campbeltown
Argyll
PA28 6JN

South Kintyre Development Trust

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South Kintyre Development Trust

Reference and Administrative Details

Trustees	Felicity Kelly, Chair Les Van Acker, Vice Chair and Treasurer (appointed 10 August 2016) David Wares R Colville Sandra Spence Raymond P McIntosh-Walley (appointed 6 March 2017) Alison McGrory (resigned 16 August 2016) Lea Brown (resigned 26 August 2016) David Adams (resigned 19 August 2016) Vivien Carmichael (resigned 6 March 2017)
Secretary	Patrick Stewart
Senior Management Team	Zena Coffield, Trust Manager Claire McFadzean, Town Hall Manager
Principal Office	Campbeltown Town Hall 54 Main Street Campbeltown Argyll PA28 6AB The charity is incorporated in Scotland.
Company Registration Number	SC349971
Charity registration number	SC042272
Solicitors	C & D Mactaggart Castlehill Campbeltown PA28 6AR
Bankers	Clydesdale Bank Campbeltown
Independent Examiner	Dunlop & Co CA Knockbay House Kilkerran Road Campbeltown Argyll PA28 6JN

South Kintyre Development Trust

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2017.

Structure, governance and management

Nature of governing document

The company is governed by its memorandum and articles of association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of trustees

SKDT is governed by a voluntary Directors who are also Trustees. The Board of Directors comprises of up to 10 members, the majority of whom must be elected ordinary members. There is also provision for appointed and co-opted Directors to ensure a spread of skills and experience within the Board.

Each Annual General meeting, one third of Directors resign, but are eligible for re-election. New Directors elected at a general meeting are invited to complete a skills audit and meet with the Trust Manager to assess how best individual skills can be utilised. There are no persons external to SKDT entitled to appoint Directors.

Potential Directors may be invited to fill vacancies during the year. They can be recruited by word of mouth, local press and social media, by notice on the SKDT website and in the monthly newsletter.

Induction and training of trustees

They are provided with a Directors' pack and invited to complete a skills audit, followed by an interview with the Trust Manager to identify possible training or development needs and given the opportunity to discuss what potential role they would like to pursue when they become Directors. They are invited to attend three meetings before being formally proposed by existing Directors.

Each Director is allocated a specific role within the Trust, examples are, Chair, line manager, membership director, Treasurer, Renewables director. This ensures that Directors' interests and skills match with the role they carry out. Directors are encouraged to attend appropriate training events, both internal and external, where these facilitate the undertaking of their role. Two training events are planned so far for the coming year looking at IT/Cloud Storage and Financial Projections.

At the first meeting after each AGM the Board of SKDT nominates a Chair, Company Secretary and Treasurer. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

South Kintyre Development Trust

Trustees' Report

Organisational structure

Senior Management Team:

Each senior member of staff is managed by a Director and produces a monthly progress report for the Board meeting. Other staff are managed by the Trust Manager or the Town Hall Manager. The Trust Manager ensures that the charity delivers the services specified and meets its strategic aims. The Manager administers the trust's affairs and project development with the support of Directors and volunteers. The Town Hall Manager has responsibility for the day to day operational management of the Town Hall.

Decision making and Strategic Planning:

Strategic decisions are made by the Board of Directors or a Company General Meeting, in accordance with SKDT's memorandum and articles of association. It is the responsibility of staff to implement these decisions and progress the projects.

Vision:

The Trust works towards financial sustainability, ensuring resources are in place to deliver agreed community needs and deliver community development opportunities.

Mission:

To be influential in developing South Kintyre as a vibrant and strong community working with partners both in the third sector and public bodies. To achieve this, the Trust will: take cognisance of community consultations and, with partners, prioritise action within available resources; provide a base for the dissemination of information and support for third sector organisations; identify improvements to the infrastructure and built environment; encourage renewable energy projects in the area; be a high profile facilitator working towards making South Kintyre a good place to live.

South Kintyre Development Trust

Trustees' Report

Major risks and management of those risks

Financial sustainability

The financial sustainability of the Trust is a major risk while it relies solely on grant funding. The development of a Strategic plan is underway to mitigate these risks with the introduction of a funding strategy and plans to increase trading income from the Town Hall while meeting the trusts charitable objectives.

Internal control risks

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Policies and Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the Town Hall. They are reviewed annually to ensure that they continue to meet the needs of the charity.

Objectives and activities

Objects and aims

SKDT has a broad set of charitable objectives designed to benefit both the people of South Kintyre and its environment. The company's main purpose is consistent with furthering the achievement of sustainable development. Its purposes are:

- To provide or advance the accessibility of recreational, facilities, and/or organising recreational activities, which will be available to members of the Community and public at large with the object of improving the conditions of life of the Community.
- Advancement of citizenship or Community development, including rural or urban regeneration.
- To advance the provisions for educational opportunities in the Community relating to environment, culture, heritage and/or history
- To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic or other importance to the Community;

Since it began operation in October 2008, the company has pursued its objectives in the community without distinction on racial, political, religious or other grounds. Mindful of the interests of social welfare and the need to ensure that public benefits arising from its activities clearly outweigh any private benefits to individuals, SKDT has followed the principles of sustainable development (where "sustainable development" means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs") to achieve its objectives.

South Kintyre Development Trust

Trustees' Report

Objectives, strategies and activities

SKDT is a grassroots anchor organisation advancing community led regeneration in Kintyre. It has 4 staff, 5 Directors, over 600 members, 13 regular volunteers and over 50 registered volunteers.

We deliver several substantial projects and support other community and voluntary organisations to implement economic and employment priorities identified in the local Action Plans.

In 2014 SKDT purchased Campbeltown Town Hall on behalf of the Kintyre Community as a focal point for community activity to provide information and services which meet community need. The trust's broad objectives incorporate the provisions for opportunities in the Community relating to environment, culture, heritage and/or history and it has successfully taken forward a number of major projects.

Our current strategic plan focusses on Community Growth to provide a range of services which reduce inequalities and raise people's aspirations.

The focus of our work:

Our main objectives for the year were to:

- Deliver projects in accordance with the business plan
- Improve the trusts long term sustainability
- Meet community priorities

Grant making policies

South Kintyre Development Trust does not yet give grants or make social or programme-related cash investments. Rather, its employees and volunteers invest time in promoting the Trustees objectives and principals.

South Kintyre Development Trust

Trustees' Report

Achievements and performance

The activities prioritised for the current period have been as follows:

Providing recreational facilities and activities:

The main focus of SKDT's activities during this financial period continue to be the redevelopment of the Town Hall. Since reopening until the end of March 2017 there have been 135 events bringing revenue to support its running costs. This continues to grow steadily, with plans to hold large scale events such as a Gin Festival in April 2018 and to increase the volume of regular bookings.

In March 2016, SKDT was awarded £25,208 funding from the Scottish Governments Strengthening Communities Programme to continue the post of a Trust Manager for a further year. The capacity of the Trust to continue to develop community-led projects is dependent of the continuation of this crucial post.

Community Development/regeneration:

Through community consultation and discussion with relevant organisations, SKDT identified that there was a need to provide suitable facilities for the older people's support agencies working in the area. On completion of a viability study around the possible use of the Old Post Office, SKDT decided that there were too many barriers and opted instead to look at the former SSE Hydro Building which could provide more appropriate facilities to increase service delivery for older people and bring an empty building back into effective use.

In May 2017 SKDT secured funds of £1500 from West Kintyre Windfarm Trust to install a portable toilet in the carpark at West Port Beach, a significant venue for surfers from all over Scotland, to encourage tourism in the area.

Advancing Environmental Protection:

SKDT has a range of community landscape projects which increase opportunities for the unemployed to gain skills and experience on their employment journey and improve maintenance and local amenities for the community.

The Community Gateway Park funding from Tesco's Greenspace Project was completed in July 2017 bringing a derelict space back to life for the benefit of the Community. The Open Day July 2017 saw visitors from far and wide attend. This project will continue with partnership

The putting green was re-opened for the Summer season in 2017 and SKDT has also adopted the adjoining piece of land with plans to turn it into a herb/vegetable garden. The area has been cleared and raised beds erected.

Promoting Opportunities for Partnership working and volunteering:

The support of volunteers has helped SKDT with a range of activities which not only benefit the public but supports those living with disadvantage. Fyne Homes People and Communities Fund funded a Volunteer Organiser post which supports Town Hall and activities for volunteers. Currently Morag McMillan works 20 hours a week and has worked with volunteers to put up Campbeltown Heritage banners and create a new brochure, create hanging baskets and develop other fundraising activities and events.

Funding from the same source enabled the local putting green to re-open during the season, securing seasonal employment to two people, offering an added attraction for holiday makers and locals alike. The creation of a new craft Group and partnership working with Shopper-Aide raised funds to help purchase a wheelchair accessible vehicle and supported intergenerational activities which reduce social isolation.

South Kintyre Development Trust

Trustees' Report

Opportunities for the community to appreciate the history, culture and the built environment of the area:

The Trust supported Jan Nimmo, a well-known local artist, to take forward a celebration of the coal mining industry of rural Kintyre Road with the Road to Drumleman project which coincided with the 50th anniversary of the closure of Argyll Colliery in Machrihanish and resulted in the documentation of months of work culminating in an exhibition and a blog archive which will be available for future generations to enjoy. £8000 was granted by the Heritage Lottery Fund and augmented with funds raised locally.

Marketing and Advertising:

SKDT has an up to date website and blog and has is following the national trend of becoming more active on social media. The Newsletter continues to be issued on a regular basis, and branded T shirts were issued for Staff and Volunteers.

Financial review

Last year new Financial Procedures were introduced and with the support of staff this has proved to be a resounding success. With the amount of financial transactions increasing due to the successful trading of the Town Hall and increase in project delivery of SKDT the online accounting system has proved to be a worthwhile investment.

Les Van Acker has undertaken the role of Treasurer with ease and gave many hours to developing a cash flow forecast for the Town Hall.

During the period the Trust attracted funding for all key projects undertaken: Capital grants from The Big Lottery (£43,028), Historic Scotland (£67,404) and A & B Council (£38,368) were received, completing the Town Hall capital project. Amongst others, Town Hall revenue grants were received from The Big Lottery (£29,678) and A & B Council (£10,000). The Trust were fortunate to receive £39,857 from the Scottish Government for our Strengthening Communities Project, £10,500 from the Voluntary Action Fund, £6,000 from Campbeltown Common Good Fund, £8,400 from the Heritage Lottery, £7,500 from Tesco GreenSpace, £6,000 from A & B Council Stalled Spaces Initiative and £2,900 from the Energy Savings Trust for our projects detailed earlier.

At the year end the fund balances were £1,877,248 (2016 - £1,791,456) made up of £1,867,090 restricted (2016 - £1,788,845) and £10,158 (2016 - £2,611) in the general unrestricted fund. Included in the restricted funds is the net book value of the Town Hall assets of £1,786,353 (2016 - £1,689,141).

Our pricing policy:

We have a tiered pricing strategy with a reduced rate for community organisations and local charities. This offers a chance for everyone in the community to take part in our activities and attend our events. For example the Main Hall hire charges on a Saturday or Sunday are £150 per half day standard rate and £75 community rate.

Policy on reserves

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees are proposing to adopt a Reserves Policy at the next Board meeting, with the long term aim being 3 months employment costs plus three months building and running costs.

South Kintyre Development Trust

Trustees' Report

Plans for future periods

Aims and key objectives for future periods

The charity plans continuing the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

Its strategic priorities include:

Provision of suitable facilities to increase services for older people

Development of a Community Growth project

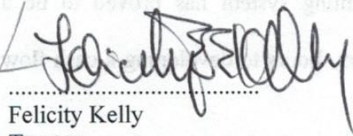
Secure funding for Broadband Provision for East Kintyre

Continued and extended use of Town Hall

Funds held as custodian trustee on behalf of others

The Charity does not hold any funds as Custodian Trustee.

The annual report was approved by the trustees of the charity on 22 November 2017 and signed on its behalf by:



Felicity Kelly

Trustee

South Kintyre Development Trust

Statement of Trustees' Responsibilities

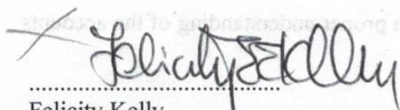
The trustees (who are also the directors of South Kintyre Development Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 22 November 2017 and signed on its behalf by:



Felicity Kelly
Trustee

South Kintyre Development Trust

Independent Examiner's Report to the trustees of South Kintyre Development Trust

I report on the accounts of the charity for the year ended 31 March 2017 which are set out on pages 11 to 23.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) 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 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 is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 seeks explanations from the 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 the course of 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
- 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.



Efric A McNeil
Chartered Accountant

Knockbay House
Kilkerran Road
Campbeltown
Argyll
PA28 6JN

22 November 2017

South Kintyre Development Trust

Statement of Financial Activities for the Year Ended 31 March 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 31 March 2017 £
Income and Endowments from:				
Donations and legacies	3	8,172	278,112	286,284
Other trading activities	4	1,008	19,187	20,195
Investment income	5	42	-	42
Total Income		9,222	297,299	306,521
Expenditure on:				
Raising funds		-	(592)	(592)
Charitable activities	6	(8,752)	(211,385)	(220,137)
Total Expenditure		(8,752)	(211,977)	(220,729)
Net income		470	85,322	85,792
Transfers between funds		7,077	(7,077)	-
Net movement in funds		7,547	78,245	85,792
Reconciliation of funds				
Total funds brought forward		2,611	1,788,845	1,791,456
Total funds carried forward	13	10,158	1,867,090	1,877,248
	Note	Unrestricted funds £	Restricted funds £	Total 31 March 2016 £
Income and Endowments from:				
Donations and legacies	3	4,854	1,749,126	1,753,980
Other trading activities	4	1,389	1,545	2,934
Investment income	5	120	-	120
Other income		131	-	131
Total Income		6,494	1,750,671	1,757,165
Expenditure on:				
Raising funds		(1,451)	-	(1,451)
Charitable activities	6	(2,820)	(100,434)	(103,254)
Total Expenditure		(4,271)	(100,434)	(104,705)
Net income		2,223	1,650,237	1,652,460
Transfers between funds		2,489	(2,489)	-
Net movement in funds		4,712	1,647,748	1,652,460
Reconciliation of funds				
Total funds brought forward		(2,101)	141,097	138,996

Statement of Financial Activities for the Year Ended 31 March 2017
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

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South Kintyre Development Trust

(Registration number: SC349971)
Balance Sheet as at 31 March 2017

	Note	31 March 2017 £	31 March 2016 £
Fixed assets			
Tangible assets	10	1,786,535	1,689,141
Current assets			
Debtors	11	25,878	58,934
Cash at bank and in hand		76,191	79,323
		102,069	138,257
Creditors: Amounts falling due within one year	12	(11,356)	(35,942)
Net current assets		90,713	102,315
Net assets		1,877,248	1,791,456
Funds of the charity:			
Restricted funds		1,867,090	1,788,845
Unrestricted income funds			
Unrestricted funds		10,158	2,611
Total funds	13	1,877,248	1,791,456

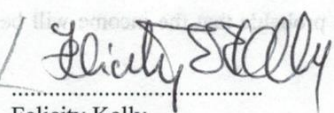
For the financial year ending 31 March 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 11 to 23 were approved by the trustees, and authorised for issue on 22 November 2017 and signed on their behalf by:


Felicity Kelly
Trustee

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

South Kintyre Development Trust 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 nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

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.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

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 considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £300.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

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
Land and buildings	4% straight line basis
Furniture and equipment	20% straight line basis

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

3 Income from donations and legacies

	Unrestricted funds		Total
	General	Restricted funds	16 October 2014 to 31 March 2016
	£	£	£
Donations and legacies;			
Donations from individuals	71	1,934	17,356
Grants, including capital grants;			
Government grants	2,000	95,221	703,126
Grants from other charities	6,002	180,957	1,033,349
Regular giving and capital donations	99	-	149
	<u>8,172</u>	<u>278,112</u>	<u>1,753,980</u>

4 Income from other trading activities

	Unrestricted funds		Total
	General	Restricted funds	16 October 2014 to 31 March 2016
	£	£	£
Trading income;			
Sales of goods and services	-	19,112	-
Other trading income	771	-	-
Events income;			
Other events income	237	75	2,934
	<u>1,008</u>	<u>19,187</u>	<u>2,934</u>

5 Investment income

	Unrestricted funds	Total
	General	16 October 2014 to 31 March 2016
	£	£
Interest receivable and similar income;		
Interest receivable on bank deposits	<u>42</u>	<u>120</u>

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

6 Expenditure on charitable activities

	Activity undertaken directly	Total 31 March 2017	Total 16 October 2014 to 31 March 2016
	£	£	£
Wages and salaries	78,781	78,781	58,794
Staff training and recruitment	2,220	2,220	2,065
Staff pensions	305	305	-
Rent and rates	101	101	3,425
Insurance	6,249	6,249	9,868
Heat, light and power	5,433	5,433	-
Repairs and maintenance	1,145	1,145	-
Equipment repairs and renewals	1,404	1,404	87
Cleaning	5,282	5,282	-
Telephone, website and internet	1,932	1,932	1,356
Office expenses	1,591	1,591	155
Advertising, postage and stationery	7,244	7,244	2,197
Trade subscriptions	-	-	225
Sundry expenses	-	-	195
Travel and accommodation	709	709	1,557
Audit fees	-	-	3,000
Independent examiner fees	900	900	-
Accountancy & payroll fees	1,067	1,067	1,500
Consultancy and external project fees	22,722	22,722	17,832
Legal and professional fees	3,288	3,288	500
Cost of trustee meetings	76	76	-
Bank charges	23	23	-
Depreciation of freehold depreciation	73,524	73,524	-
Depreciation of fixtures and fittings	6,141	6,141	498
	<u>220,137</u>	<u>220,137</u>	<u>103,254</u>

£8,752 (2016 - £2,820) of the above expenditure was attributable to unrestricted funds and £211,385 (2016 - £100,434) to restricted funds.

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

7 Trustees remuneration and expenses

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.
The spouse of one director had a pre existing contract with the charity prior to the appointment of the director.

8 Staff costs

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	31 March 2017 No	31 March 2016 No
Employee numbers	<u>6</u>	<u>3</u>

Contributions to the employee pension schemes for the year totalled £305 (2016 - £Nil).

No employee received emoluments of more than £60,000 during the year.

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2016	1,686,042	5,705	1,691,747
Additions	152,059	25,000	177,059
At 31 March 2017	<u>1,838,101</u>	<u>30,705</u>	<u>1,868,806</u>
Depreciation			
At 1 April 2016	-	2,606	2,606
Charge for the year	73,524	6,141	79,665
At 31 March 2017	<u>73,524</u>	<u>8,747</u>	<u>82,271</u>
Net book value			
At 31 March 2017	<u>1,764,577</u>	<u>21,958</u>	<u>1,786,535</u>
At 31 March 2016	<u>1,686,042</u>	<u>3,099</u>	<u>1,689,141</u>

11 Debtors

	31 March 2017 £	31 March 2016 £
Trade debtors	17,612	44,045
Prepayments	1,942	2,925
Other debtors	6,324	11,964
	<u>25,878</u>	<u>58,934</u>

12 Creditors: amounts falling due within one year

	31 March 2017 £	31 March 2016 £
Trade creditors	9,292	19,445
Other taxation and social security	-	7,265
Other creditors	681	-
Accruals	1,383	9,232
	<u>11,356</u>	<u>35,942</u>

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

13 Funds

	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2017 £
Unrestricted funds					
<i>General</i>					
General	2,611	9,222	(8,752)	7,077	10,158
Restricted funds					
Town Hall - Capital	1,686,917	148,800	(79,665)	30,483	1,786,535
Town Hall - Revenue	88,383	65,629	(73,289)	(30,483)	50,240
Strengthening Communities	6,224	39,857	(26,204)	-	19,877
Community Renewables	1	2,900	(2,901)	-	-
Campbeltown Connections	3,946	-	(3,500)	-	446
Road to Drumlemin	3,150	9,900	(7,720)	-	5,330
Fyne Homes	224	-	-	(224)	-
Town Centre Enhancement Grp	-	4,222	(1,700)	(2,522)	-
Community Landscape Projects	-	9,500	(8,664)	-	836
Volunteering Support	-	10,500	(6,169)	(4,331)	-
Old Post Office	-	5,991	(2,165)	-	3,826
Total restricted funds	1,788,845	297,299	(211,977)	(7,077)	1,867,090
Total funds	1,791,456	306,521	(220,729)	-	1,877,248
	Balance at 16 October 2014 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2016 £
Unrestricted funds					
<i>General</i>					
General	(2,101)	6,494	(4,271)	2,489	2,611
Restricted funds					
Town Hall - Capital	127,471	-	-	1,559,446	1,686,917
Town Hall - Revenue	(83)	1,677,082	(26,830)	(1,561,786)	88,383
Strengthening Communities	10,326	47,208	(51,310)	-	6,224
Community Renewables	-	10,095	(10,094)	-	1
Campbeltown Connections	-	10,000	(6,054)	-	3,946
Road to Drumlemin	-	3,150	-	-	3,150
Fyne Homes	-	3,136	(2,912)	-	224
Volunteering Support	3,361	-	(3,234)	(127)	-
Animateur Project	22	-	-	(22)	-
Total restricted funds	141,097	1,750,671	(100,434)	(2,489)	1,788,845

South Kintyre Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

	Balance at 16 October 2014 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2016 £
Total funds	<u>138,996</u>	<u>1,757,165</u>	<u>(104,705)</u>	<u>-</u>	<u>1,791,456</u>

14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	-	1,786,535	1,786,535
Current assets	10,158	91,911	102,069
Current liabilities	-	(11,356)	(11,356)
Total net assets	<u>10,158</u>	<u>1,867,090</u>	<u>1,877,248</u>