

Company registration number: SC0349971
Charity registration number: SC042018

South Kintyre Development Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Period from 16 October 2014 to 31 March 2016

South Kintyre Development Trust

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The following page do not form part of the statutory financial statements:

South Kintyre Development Trust

Reference and Administrative Details

Charity name	South Kintyre Development Trust	
Charity registration number	SC042018	
Company registration number	SC0349971	
Principal office	Campbeltown Town Hall 54 Main Street Campbeltown Argyll PA28 6AB	
Registered office	Campbeltown Town Hall 54 Main Street Campbeltown Argyll PA28 6AB	
Trustees	David W R Colville, Chair David Adams, Treasurer (resigned 19 August 2016) Felicity Kelly, Vice Chair Susan Paterson, Vice Chair (resigned 11 August 2015) Nicole Harvey (resigned 7 April 2015) William Anderson (resigned 16 July 2015) Sandra Spence Vivien Carmichael, Membership Secretary Alison Mcgrory (appointed 16 December 2014) (resigned 16 August 2016) Lea Brown (appointed 10 December 2015) (resigned 26 August 2016) Les Van Acker (appointed 10 August 2016)	
Secretary	John MacTaggart (appointed 16 December 2014)	
Solicitor	C & D Mactaggart Castlehill Campbeltown PA28 6AR	
Bankers	Clydesdale Bank 19 Longrow Campbeltown PA28 6ES	
Auditor	Cook & Co Limited Suite 525 Baltic Chambers 50 Wellington Street Glasgow G2 6HJ	

South Kintyre Development Trust

Trustees' Report

The Directors have pleasure in presenting their report and financial statements for the Company for the period ended 31 March 2016.

Structure, Governance and Management

South Kintyre Development Trust (SKDT) is a company limited by guarantee having no share capital and is governed by its memorandum and articles of association. It was incorporated at Companies House, Edinburgh on 15 October 2008 and became a registered charity on 13 January 2011.

SKDT is governed by a voluntary Board of Directors who are also Trustees. Directors are appointed by the Members of SKDT at a General Meeting in accordance with the memorandum and articles of association. There are no persons external to SKDT entitled to appoint Directors. New Directors are recruited by word of mouth, local press and social media, by notice on the SKDT website and in the monthly newsletter.

Potential Directors may fill vacancies during the year. 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 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 the skills audit and meet with the Trust Manager to assess how best individual skills can be utilised.

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.

Each senior member of staff is managed by a Director. Other staff are managed by the Trust Manager or the Town Hall Manager.

The management of SKDT is the responsibility of the Trustees, who are the Directors. Routine administration, management and project development is undertaken by the Trust Managers, with help from the Directors and other volunteers.

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.

The Board of SKDT nominates a Chair, Company Secretary and Treasurer at the first meeting of the Directors following the Annual General Meeting. None of the Trustees has any beneficial interest in SKDT.

Senior staff produce written monthly reports on progress for each Boards meeting.

Governance has been re-appraised over the period with a review of all Policies and Procedures being undertaken by a team of Directors and staff.

The Trust Manager, Zena Coffield, has implemented improved governance procedures and has raised the profile of the Trust during the last 18 months and to ensure transparency she developed the SKDT website where minutes, projects and future plans are published.

A regular newsletter is distributed to members and partners which includes information, news and a diary of community events. A link to this is also available on the website and on social media. The Likes on Facebook currently showing at over 700.

South Kintyre Development Trust

Trustees' Report

The financial sustainability of the Trust is a major risk while it relies solely on grant funding. This is being addressed in the short to medium term by identifying and applying for sources of core funding and the on-going increase in income from the Town Hall.

The Directors are pursuing with partners the Trust's involvement in renewable energy projects for longer term income. The risks associated with this are the potential for government policies on community ownership of projects to change and the timescale for income to be generated. The Directors have agreed that this avenue is worth pursuing.

VISION

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

Objectives and Activities

SKDT has a broad set of charitable objectives designed to benefit both the people of South Kintyre and its environment:

- to advance environmental protection, reclamation, remediation, preservation, restoration and improvement;
- to encourage, stimulate and support volunteering;
- to advance citizenship and community development;

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 benefit to individuals, SKDT has followed 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

Achievements and Performance

The main focus of SKDT's activities during this financial period has been the Campbeltown Town Hall renovation project. Grant finding for the project was secured from the Big Lottery Fund: Growing Community Assets (£1,000,000), Campbeltown Townscape Heritage Initiative (£387,000), Historic Scotland (£264,000), Argyll and Bute Council's CHORD Scheme (£300,000) and Local Energy Scotland (£23,690). As a result of these awards, SKDT was able to take ownership of the Town Hall on the 14 October 2014 and open the building as community resource in April 2016.

In addition to the above, SKDT is committed to further fundraising in the local community and are indebted to local volunteers and businesses within the area for their assistance to date.

SKDT Directors owe a debt of gratitude to the Project Co-ordinator, Eric Spence, for ensuring the completion of the project of bringing a building back into use by and for the local community. Assisting the Project Co-ordinator, were the volunteers on the Project Team who worked together to oversee the project as well as raising local funds for the Town Hall. The Directors delegated the day to day management of the project to these volunteers who were Gill Wright, Alan Baker, Trevor Oxborrow, Sandy Wilkie, Robin Nolan, Sandy Hamilton, together with James Lafferty, Argyll and Bute Council's THI Manager. As the project developed it was clear that a dedicated website was required to keep the community in touch with progress. This was developed by Will Anderson, one of the Directors at that time.

In October 2015 Claire McFadzean was appointed as Town Hall Manager, responsible for the final stages of the project. The Directors are grateful to the Town Hall Manager for her work in implementing the move to the Town Hall and the programme of activities now taking place.

In March 2014, SKDT was delighted to be awarded £76,384 funding from the Scottish Governments Strengthening Communities Programme to employ a Trust Manager for 2 years. This was extended in March 2016 for a further year until March 2017. The capacity of the Trust to continue to development community-led projects is dependent of the continuation of this post. The Directors see this as a high risk and are currently looking at alternative funding for this key post within the Trust. This risk was highlighted at a Directors Strategic Planning Workshop when Jackie McQueen of DTAS facilitated discussion around sustainability of the Trust.

In the longer term, the Trust is investigating the viability of Renewables Projects in conjunction with two local organisations - Kintyre Way (The Long and Winding Way) and Kintyre Recycling. SKDT has taken the lead in this. The route to this income would not be on stream until, at the earliest, 2021.

Over the period the Trust Managers, Ishbel McKinnon (left March 2016) Zena Coffield (4 days per week) and Tony Philpin (1 day per week; started April 2016) have also been involved in developing the following projects:

Stalled Spaces - income £12,500: Campbeltown Connections - income £10,000: Doors Open Day: The Road to Drumlehan: £3150: Broadband Project income £600; Fyne Homes (employability project) income- £3136.

South Kintyre Development Trust

Trustees' Report

Decision making and Strategic Planning

The delivery of the Trust's services and projects is undertaken by senior staff - Trust Managers and Town Hall Manager and those they line manage - with the support of Directors.

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

Improving the environment

Community Landscape Projects: Stalled Spaces, a Scottish Government initiative, awarded the Trust £2,500 in July 2015 to improve a vacant lot in the town, owned by Argyll Community Housing Association. The lease of this area was eventually granted in November 2016. The funders extended the grant to the financial year 2016-17. With partners Campbeltown Community Orchard and Garden (CCOG), Argyll and Bute Council Adult Learning and Youth Services, Kintyre youth Enquiry Service and Argyll College, the gateway to Campbeltown will be improved using planting and landscaping, following a fishery and marine theme. In addition to the Stalled Spaces funding, Tesco Greenspace project awarded £10,000 which will be used to augment the Stalled Spaces project. The employment of a Town Centre Handyman, through an employability project, enabled small jobs to be carried out in the town. Other projects were Spring Clean, community clear up of the Esplanade area, Whisky Barrel Floral Displays and re-instatement of Community Banners.

Improved governance of the Trust: This has been improved by review of IT systems with updated logo, website and blog as well as a strong presence of social media. The developments of a Directors' Portfolio, a review of financial procedures and other policies have impacted positively on the governance of the Trust.

Investigating possible renewable projects with partners: This major development, which started in August 2014 with partners Kintyre Recycling and The Long and Winding Way (Kintyre Way) has been exploring different models of community-led renewable energy. Community Energy Scotland (CARES) invested in the partnership, enabling feasibility studies to be undertaken. This partnership is now at the point of becoming formally constituted. The Trust committed one day a week of Trust Manager time to take this forward. Initially, Ishbel MacKinnon was responsible for this, with Tony Philpin taking over this role in April when she left for employment in Perth. Although a long term project, it is hoped that, if progressed, a robust income stream would be available to the Trust from 2021. The Trust are also looking for shared equity renewables projects with an earlier commissioning date than 2021, but the current market disruption is causing developers to review their plans.

Promoting opportunities for volunteering and employment: The Trust has been grateful to Voluntary Action Fund Scotland for funding volunteer co-ordinators to March 2015 and currently to March 2017. Both co-ordinators, to March 15 (Sarah Thomson) and to March 17, (Duncan Ainscough) achieved the targets set for recruitment of new volunteers and training opportunities.

Fyne Homes People and Communities Fund have funded an Administrative Assistant post for two 24 week placements. Currently Morag McMillan works 20 hours a week in the Trust Office, assisting both the Trust Manager and the Town Hall Manager and also prepares agenda and minutes for the Directors' meetings.

Funding also 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.

Volunteers assist the Trust on a regular basis with fund raising events, distributing local publicity and the newsletter and other activities when required.

South Kintyre Development Trust

Trustees' Report

Opportunities for the community to appreciate the history, culture and the built environment of the area: For the past two years the Trust Manager has promoted the national Doors Open Day event locally, attracting 490 visitors to 14 venues in the area in 2015. 2016 was equally successful. The Trust has supported Jan Nimmo, an artist originally from the area, to take forward a celebration of the coal mining industry of rural Kintyre Road with the Road to Drumleman project. SKDT raised £3150 in the financial year to March 2016 locally to start progressing the project, planned for completion by April 2017. An additional grant from Heritage Lottery Fund of over £8,000 was granted in 2016-2017.

Raise the profile of the Trust and increase membership: A range of activities have been introduced to raise the Trust's profile in the area. These have included the appointment of a Membership Director, Vivien Carmichael, who has attended community events to encourage local people to become members. Her efforts have borne fruit with SKDT now having a membership of 598, over 10% of the whole population of Campbeltown. The Herald Property Awards for Scotland 2016 were held in Glasgow on Thursday 22nd September 2016. A special award was presented to SKDT's Town Hall, an accolade for all who had been involved and offering nation exposure to not only SKDT but to the town itself.

Undertake reviews of policies and procedures: Over the last year the directors have been aware of the need to review the policies and procedures as the Trust has developed. This has been linked to development days with DTAS; Financial review and health check, management of the Town Hall, looking at the most appropriate structure and also a locally led seminar to decide on strategic priorities, which in turn have an impact of our work methodology.

Re-opening the Town Hall as a community asset and celebrating the completion of the building project: On 29 April 2016, the Town Hall held an event to celebrate this achievement, with contractors and sub-contractors, design team, project team, volunteers and Board members, followed by an Open Day for the public, which attracted over 1100 people through the doors. The Town Hall Manager, Claire McFadzean arranged this successful event. Plans are in place to hold an Official Opening in the New Year.

Securing income from rentals, leasing and bookings of the Town Hall: Since the opening of the Town Hall in April 2016, First Port, a social enterprise, has taken on the lease of one of the areas in the building, bringing in regular, guaranteed income. When application was made to the Big Lottery Fund, financial and quantitative targets were set. These have been met in the months since the opening of the building.

Researching Community Aspirations and undertaking Community consultations: As a community led body, the Trust is committed to ensuring that their projects and programmes are in line with community aspirations. The Trust were awarded £10,000 from the Scottish Government to undertake an appraisal of the town and develop a vision and action plan for the community - led regeneration of the town centre, being only one of 5 town to be awarded this funding. Tom Sneddon and his team were engaged to carry out this study. The resulting 59 page report provided an extensive range of possibilities. The Trust Manager, Tony Philpin, undertook the onerous task of narrowing down the possibilities. He presented an excellent report on possible developments from which priorities were agreed by the Board. This led to our strategic priorities being set for the coming year. In addition to this research, SKDT have, in the past months lead the review the Community Action Plans for the area. This process with be completed in December 2016 and will address the way forward for the Trust in the next 4 years.

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.

Fund Raising: During the period the Trust attracted funding for all key projects undertaken. The main grants for the entire project associated with the Town Hall renovation, were £1,000,000, the Big Lottery Fund: Growing Community Assets Campbeltown; Townscape Heritage Initiative (£387,000), Historic Scotland (£264,000), Argyll and Bute Council's CHORD Scheme (£300,000) and Local Energy Scotland (£23,690). The core funding was from Scottish Government's Strengthening Community Fund £107,617 to March 2017. Local fund raising and donations for the Town Hall amounted to £13,302.01 and for SKDT was £1,508.32 to March 2016.

South Kintyre Development Trust

Trustees' Report

Financial Review

At the last AGM, it was agreed that unrestricted funding needed to be increased for the smooth running of the Trust. This was addressed by increased fundraising activities, as mentioned above. Additionally, it was agreed that the Trust's financial year would be moved to 31 March, to be in line the tax year and many funders year end. An in-depth Financial Health Check was carried out by Brett Nicholls in March which resulted in decisions being made to alter the Trust's financial procedures. The main points of change were - the out sourcing of payroll services to GCVS, the adoption of the SAGE accounting system, which was implemented in April 2016, review of financial procedures, including the Trust Manager becoming a cheque signatory and the introduction of a bank card for staff use. The transition, although it took some time to implement, Lea Brown who was a Director took on the lead role of day to day financial oversight. With the resignation of the Treasurer, David Adams, a founder member of SKDT, the existing Directors were delighted that Les Van Acker, a recently appointed Director was willing to take on the role.

Funds held as Custodian Trustee

The Charity does not hold any funds as Custodian Trustee.

Plans for the Future

Develop a sustainable long-term income for SKDT from a community owned renewable energy scheme.
Undertake a feasibility study on The Old Post Office, a project prioritised in the Campbeltown Connections report
Secure funding for Broadband Provision for East Kintyre
Research possible funding streams for Creative Campbeltown project, as prioritised in the Campbeltown Connections report
Tender for DWP Service Provision in Kintyre
Instigate links with Northern Ireland
Continued and extended use of Town Hall

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 21 December 2016 and signed on its behalf by:

.....

David W R Colville
Trustee

South Kintyre Development Trust

Trustees' Responsibilities in relation to the Financial Statements

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company 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 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 proper accounting records that 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.

In so far as the trustees are aware:

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

Independent Auditors' Report to the Trustees of South Kintyre Development Trust

We have audited the financial statements of South Kintyre Development Trust for the period ended 31 March 2016, set out on pages 11 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditors' Report to the Trustees of South Kintyre Development Trust

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

.....
Cook & Co Limited

Suite 525 Baltic Chambers
50 Wellington Street
Glasgow
G2 6HJ

Date:.....

Cook & Co Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

South Kintyre Development Trust

Statement of Financial Activities (including Income and Expenditure Account) for the Period Ended 31 March 2016

		Unrestricted Funds	Restricted Funds	Total Funds 16 October 2014 to 31 March 2016	Total Funds Year ended 15 October 2014
	Note	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	4,854	13,901	18,755	598
Activities for generating funds	4	1,389	1,545	2,934	5,544
Investment income	5	120	-	120	60
Incoming resources from charitable activities	6	-	1,735,225	1,735,225	146,142
Other incoming resources	7	131	-	131	200
Total incoming resources		<u>6,494</u>	<u>1,750,671</u>	<u>1,757,165</u>	<u>152,544</u>
Resources expended					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	8	1,451	-	1,451	-
Charitable activities	8	974	95,073	96,047	19,531
Governance costs	8	1,846	5,361	7,207	773
Total resources expended		<u>4,271</u>	<u>100,434</u>	<u>104,705</u>	<u>20,304</u>
Net income before transfers		2,223	1,650,237	1,652,460	132,240
Transfers					
Gross transfers between funds		<u>2,489</u>	<u>(2,489)</u>	<u>-</u>	<u>-</u>
Net movements in funds		4,712	1,647,748	1,652,460	132,240
Reconciliation of funds					
Total funds brought forward		<u>(2,101)</u>	<u>141,097</u>	<u>138,996</u>	<u>6,756</u>
Total funds carried forward		<u>2,611</u>	<u>1,788,845</u>	<u>1,791,456</u>	<u>138,996</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

South Kintyre Development Trust (Registration number: SC0349971)

Balance Sheet as at 31 March 2016

		31 March 2016		15 October 2014	
	Note	£	£	£	£
Fixed assets					
Tangible assets	13		1,689,142		127,855
Current assets					
Debtors	14	58,934		12,476	
Cash at bank and in hand		<u>79,323</u>		<u>42,309</u>	
		138,257		54,785	
Creditors: Amounts falling due within one year	15	<u>(35,943)</u>		<u>(43,644)</u>	
Net current assets			<u>102,314</u>		<u>11,141</u>
Net assets			<u>1,791,456</u>		<u>138,996</u>
The funds of the charity:					
Restricted funds			1,788,845		141,097
Unrestricted funds					
Unrestricted income funds			<u>2,611</u>		<u>(2,101)</u>
Total charity funds			<u>1,791,456</u>		<u>138,996</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on 21 December 2016 and signed on its behalf by:

.....
David W R Colville
Trustee

South Kintyre Development Trust

Notes to the Financial Statements for the Period Ended 31 March 2016

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006.

Fund accounting policy

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

Restricted 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.

Further details of each fund are disclosed in note 18.

Incoming resources

Voluntary income including donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Shop income and income derived from events is recognised as earned (that is, as the related goods or services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in this category provides funding to support programme activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of trading for fundraising purposes.

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

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

South Kintyre Development Trust

Notes to the Financial Statements for the Period Ended 31 March 2016

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Depreciation

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:

Fixtures, fittings & equipment 20% straight line basis

Prior Year Adjustment

Capital costs totalling £127,472 relating to the Town Hall Project and expensed last year have been taken to fixed assets this year as a prior year adjustment.

The Grants Received comparison from last year has been recategorised as Charitable Activities in order to be in line with the categorisation this year.

2 Voluntary income

	Unrestrict ed Funds £	Restricted Funds £	Total Funds 16 October 2014 to 31 March 2016 £	Total Funds Year ended 15 October 2014 £
Donations and legacies				
Appeals and donations	3,455	13,901	17,356	505
Subscriptions	149	-	149	93
	<u>3,604</u>	<u>13,901</u>	<u>17,505</u>	<u>598</u>
Grants				
Grants	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>-</u>
	<u><u>4,854</u></u>	<u><u>13,901</u></u>	<u><u>18,755</u></u>	<u><u>598</u></u>

South Kintyre Development Trust

Notes to the Financial Statements for the Period Ended 31 March 2016

..... continued

3 Grants receivable

	Unrestricted Funds £	Restricted Funds £	Total Funds 16 October 2014 to 31 March 2016 £	Total Funds Year ended 15 October 2014 £
Highlands and Islands Enterprise	-	-	-	13,407
Big Lottery Fund	-	818,210	818,210	96,291
Energy Saving Trust	-	35,477	35,477	-
Historic Scotland	-	167,276	167,276	-
Voluntary Action Fund	-	-	-	4,955
Scottish Government - Strengthening Communities	-	47,208	47,208	20,489
ABC Chord THI	-	655,918	655,918	4,400
Campbeltown Common Good Fund	1,250	8,000	9,250	6,000
Community Broadband Scotland	-	-	-	600
Fyne Homes	-	3,136	3,136	-
	<u>1,250</u>	<u>1,735,225</u>	<u>1,736,475</u>	<u>146,142</u>

4 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 16 October 2014 to 31 March 2016 £	Total Funds Year ended 15 October 2014 £
Operating activities				
Sales of Town Hall merchandise	-	969	969	-
Springbank Distillery - open day & auction	-	-	-	4,520
Other fundraising events	1,389	576	1,965	924
Training income	-	-	-	100
	<u>1,389</u>	<u>1,545</u>	<u>2,934</u>	<u>5,544</u>

5 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 16 October 2014 to 31 March 2016 £	Total Funds Year ended 15 October 2014 £
Interest on cash deposits	<u>120</u>	-	<u>120</u>	<u>60</u>

South Kintyre Development Trust

Notes to the Financial Statements for the Period Ended 31 March 2016

..... continued

6 Incoming resources from charitable activities

	Unrestrict ed Funds £	Restricted Funds £	Total Funds 16 October 2014 to 31 March 2016 £	Total Funds Year ended 15 October 2014 £
Town Hall Project				
Big Lottery Fund	-	818,210	818,210	96,291
Energy Saving Trust	-	25,382	25,382	-
Historic Scotland	-	157,276	157,276	-
ABC Chord THI	-	655,918	655,918	4,400
Campbeltown Common Good Fund	-	6,000	6,000	6,000
	-	<u>1,662,786</u>	<u>1,662,786</u>	<u>106,691</u>
Strengthening Communities				
Scottish Government - Strengthening Communities	-	47,208	47,208	20,489
	-	<u>47,208</u>	<u>47,208</u>	<u>20,489</u>
Community Renewables				
Energy Saving Trust	-	10,095	10,095	-
	-	<u>10,095</u>	<u>10,095</u>	<u>-</u>
Other Projects				
Highlands and Islands Enterprise	-	-	-	13,407
Historic Scotland	-	10,000	10,000	-
Voluntary Action Fund	-	-	-	4,955
Campbeltown Common Good Fund	-	2,000	2,000	-
Community Broadband Scotland	-	-	-	600
Fyne Homes	-	3,136	3,136	-
	-	<u>15,136</u>	<u>15,136</u>	<u>18,962</u>
	-	<u>1,735,225</u>	<u>1,735,225</u>	<u>146,142</u>

7 Other incoming resources

	Unrestrict ed Funds £	Restricted Funds £	Total Funds 16 October 2014 to 31 March 2016 £	Total Funds Year ended 15 October 2014 £
Other income				
Other income	131	-	131	200
	<u>131</u>	<u>-</u>	<u>131</u>	<u>200</u>

South Kintyre Development Trust

Notes to the Financial Statements for the Period Ended 31 March 2016

8 Total resources expended

	Operating activities	Town Hall Project	Strengthening Communities	Community Renewables	Other Projects	Governance	Total
	£	£	£	£	£	£	£
Direct costs							
Fundraising costs	339	511	-	-	-	-	850
Wages and salaries	-	8,392	44,256	-	6,146	-	58,794
Staff training & recruitment expenses	-	1,643	422	-	-	-	2,065
Rent	-	-	3,425	-	-	-	3,425
Insurance	1,051	8,817	-	-	-	-	9,868
Equipment repairs and renewals	-	87	-	-	-	-	87
Telephone, website & internet costs	-	-	1,356	-	-	-	1,356
Office expenses	-	-	-	-	485	271	756
Advertising, postage and stationery	61	1,641	495	-	-	-	2,197
Trade subscriptions	-	-	150	-	-	75	225
Sundry expenses	-	-	18	-	54	123	195
Travel and accommodation	-	-	1,557	-	-	-	1,557
The audit of the charity's annual accounts	-	-	-	-	-	3,000	3,000
Independent examiner's fee	-	-	-	-	-	1,500	1,500
Consultancy & external project costs	-	-	-	10,094	6,000	1,738	17,832
Legal and professional fees	-	-	-	-	-	500	500
Depreciation of fixtures and fittings	-	-	498	-	-	-	498
	<u>1,451</u>	<u>21,091</u>	<u>52,177</u>	<u>10,094</u>	<u>12,685</u>	<u>7,207</u>	<u>104,705</u>

South Kintyre Development Trust

Notes to the Financial Statements for the Period Ended 31 March 2016

9 Trustees' remuneration and expenses

None of the directors, nor anyone connected with them, received any remuneration or other benefit from the company for their services. One trustee claimed reimbursement of personal travel & accommodation expenses totalling £220 in the year (l/y £0).

10 Net income

Net income is stated after charging/(crediting):

	16 October 2014 to 31 March 2016		Year ended 15 October 2014	
	£	£	£	£
Auditors' remuneration - audit services		3,000		-
Depreciation of tangible fixed assets		498		498
Amortisation		-		(363)
		<u> </u>		<u> </u>

11 Employees' remuneration

The aggregate payroll costs of these persons were as follows:

	16 October 2014 to 31 March 2016	Year ended 15 October 2014
	£	£
Wages and salaries	<u>58,794</u>	<u>11,964</u>

No employee received emoluments of more than £60,000 during the period (2014 - No. 0).

12 Taxation

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

South Kintyre Development Trust

Notes to the Financial Statements for the Period Ended 31 March 2016

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13 Tangible fixed assets

	Freehold interest in land and buildings (including heritage assets) £	Fixtures, fittings and equipment £	Total £
Cost			
As at 16 October 2014	127,472	2,491	129,963
Additions	1,558,571	3,214	1,561,785
As at 31 March 2016	<u>1,686,043</u>	<u>5,705</u>	<u>1,691,748</u>
Depreciation			
As at 16 October 2014	-	2,108	2,108
Charge for the period	-	498	498
As at 31 March 2016	<u>-</u>	<u>2,606</u>	<u>2,606</u>
Net book value			
As at 31 March 2016	<u>1,686,043</u>	<u>3,099</u>	<u>1,689,142</u>
As at 15 October 2014	<u>127,472</u>	<u>383</u>	<u>127,855</u>

14 Debtors

	31 March 2016 £	15 October 2014 £
Trade debtors	44,045	11,571
Other debtors	11,963	-
Prepayments and accrued income	2,926	905
	<u>58,934</u>	<u>12,476</u>

South Kintyre Development Trust

Notes to the Financial Statements for the Period Ended 31 March 2016

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15 Creditors: Amounts falling due within one year

	31 March 2016	15 October 2014
	£	£
Trade creditors	19,445	39,362
Taxation and social security	7,264	1,748
Other creditors	1	1
Accruals and deferred income	9,233	2,533
	<u>35,943</u>	<u>43,644</u>

Creditors amounts falling due within one year includes deferred income:

	31 March 2016	15 October 2014
	£	£
As at 16 October 2014	-	363
Amount released to incoming resources	-	(363)
As at 31 March 2016	<u>-</u>	<u>-</u>

16 Members' liability

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

South Kintyre Development Trust

Notes to the Financial Statements for the Period Ended 31 March 2016

..... continued

17 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

18 Analysis of funds

	At 16 October 2014	Incoming resources	Resources expended	Transfers	At 31 March 2016
	£	£	£	£	£
General Funds					
Unrestricted income fund	(2,101)	6,494	(4,271)	2,489	2,611
Restricted Funds					
Town Hall Project - Capital	127,388	-	-	1,559,446	1,686,834
Town Hall Project - Revenue	-	1,677,082	(26,830)	(1,561,786)	88,466
Strengthening Communities	10,326	47,208	(51,310)	-	6,224
Animateur Project	22	-	-	(22)	-
Voluntary Action Fund	3,361	-	(3,234)	(127)	-
Community Renewables	-	10,095	(10,094)	-	1
Campbeltown Connect	-	10,000	(6,054)	-	3,946
Road to Drumlemin	-	3,150	-	-	3,150
Fyne Homes	-	3,136	(2,912)	-	224
	<u>141,097</u>	<u>1,750,671</u>	<u>(100,434)</u>	<u>(2,489)</u>	<u>1,788,845</u>
	<u>138,996</u>	<u>1,757,165</u>	<u>(104,705)</u>	<u>-</u>	<u>1,791,456</u>

19 Net assets by fund

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2014 £
Tangible Assets		1,689,142	1,689,142	127,855
Current Assets	4,111	134,146	138,257	54,785
Creditors: Amounts falling due within one year	(1,500)	(34,443)	(35,943)	(43,644)
Net Assets	<u>2,611</u>	<u>1,788,845</u>	<u>1,791,456</u>	<u>138,996</u>

