

**Charity Registration No. SC042018 (Scotland)**

**Company Registration No. SC349971 (Scotland)**

**SOUTH KINTYRE DEVELOPMENT TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

# SOUTH KINTYRE DEVELOPMENT TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mrs Felicity Kelly, Chair Les Van Acker Sandra Spence, Finance Director Ian Kendrick (Appointed 17 July 2019)
<b>Charity number (Scotland)</b>	SC042018
<b>Company number</b>	SC349971
<b>Principal address</b>	Campbeltown Town Hall 54 Main Street Campbeltown ARGYLL PA28 6AB
<b>Registered office</b>	Campbeltown Town Hall 54 Main Street Campbeltown ARGYLL PA28 6AB
<b>Independent examiner</b>	Iain D C Webster The Old Surgery School Road Tarbert Argyll PA29 6UL
<b>Bankers</b>	Clydesdale Bank 19 Longrow Campbeltown Argyll PA28 6ES

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# SOUTH KINTYRE DEVELOPMENT TRUST

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# **SOUTH KINTYRE DEVELOPMENT TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020**

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The trustees present their report and financial statements for the year ended 31 March 2020.

The Trustees would like to acknowledge the hard work and dedication of the Trust staff throughout the year. Since the last AGM there has been a number of changes to the staffing structure. Eric Spence took over the role of Trust Manager in May 2019 following the resignation of Zena Coffield after a number of years of dedicated service.

### *Nature of governing document*

The company is governed by its Memorandum and Articles of Association as approved at the AGM in December 2016. In the event of the company being wound up members are required to contribute an amount not exceeding £1. SKDT implemented changes to our Articles of Association which were adopted at an Extraordinary General Meeting held in December 2018 to meet the criteria for Scottish Land Fund support. The Board are very grateful to Mr Patrick Stewart, our Company Secretary, for the volume and time given to assist the Board in this matter, particularly in dealings with Scottish Government agencies.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

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 organizing 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 (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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### *Objectives, Strategies and Activities*

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. SKDT is a grassroots anchor organization advancing Community led regeneration in Kintyre. It has 9 staff, 6 Directors, over 600 members and regular volunteers.

The Trust delivers 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.

In late 2018, the Trust purchased the Red Cross Hall (since renamed "SKDT Hall") to provide an additional community facility for use by third sector organisations. This opened for business in March 2019, although it was officially opened by Ann Cousin in August 2019.

It became apparent that, with complexities of managing two large public buildings, a new post was required to operate and maintain these premises. This necessitated a part-time post being made redundant but led to a new full-time post being created.

In late 2018, the Trust purchased the Red Cross Hall to provide an additional community facility for third sector organisations. This opened for business in March 2019.

Our current strategic plan focuses on growing the organisation and expanding services through a Community Access Project which aims to reduce inequalities and raise people's aspirations. In October 2018, a post was created following a successful bid for revenue funding to the Big Lottery – People and Communities. This project comes to an end in February 2021.

We continually refer to the guidance contained in OSCR's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

### *Grant making policies*

SKDT does not yet give grants or make social or programme related cash investments. Rather, its employees and volunteers invest time in promoting the Trust objectives and activities.

The trustees have paid due regard to guidance issued by OSCR in deciding what activities the Trust should undertake.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

# **SOUTH KINTYRE DEVELOPMENT TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

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### **Achievements and performance**

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

#### **Objective 1**

*To provide or advance the accessibility of recreational facilities, and/or 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.*

The main focus of SKDT's activities during this financial period is the operation of the Town Hall and the redevelopment of the renamed SKDT Hall, providing an affordable venue for use by small Third Sector organisations and the community at large. Five regular user groups now make use of this facility

The inaugural "Gintyre" Gin Festival in April 2018 was a great success, leading to an enhanced event in April 2019 to meet the increased interest and demand. This has proved to be extremely popular and is now on the established events calendar for Kintyre.

Block bookings for room hire have increased with regular hires coming from organisations such as The Community Council, fitness groups and dance workshops. We also accommodate the Monday Social Club, Children's Panel and Tribunal Service on a monthly basis.

The Town Hall is now recognised as a key entertainment venue in the area which had led increase bookings from the entertainment industry. This year saw a significant increase in the Town Hall's popularity as a prestigious wedding venue.

The Main Hall has a lack of wall space due to the expanse of windows however, £440 was donated by Campbeltown Common Good Fund towards the materials for bespoke exhibition boards

#### *Promoting Opportunities for Partnership working and volunteering:*

The support of volunteers has helped SKDT with a range of activities and community landscape projects, which not only benefit the public but offer opportunities to improve skills, build confidence and reduce social isolation.

SKDT has been extremely fortunate to have attracted a volunteer who, (using his own equipment) has worked alongside Town Hall staff to bring hi-tech lighting to the Main Hall which greatly enhanced the building's marketability for professional and social events. The Town Hall has been transformed by internal and external lighting to celebrate seasonal events e.g. Halloween and Christmas. This has increased the Town Hall's visibility and prominence in Main Street, Campbeltown. Evidence of the quality of this work can be seen on SKDT's Social Media platforms



# **SOUTH KINTYRE DEVELOPMENT TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

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### **Objective 2**

*Advancement of citizenship or community development, including rural or urban regeneration.*

SKDT continues to offer a range of activities from the Town Hall and SKDT Hall, which meet social and economic objectives. It provides learning and volunteering opportunities, social, recreational, cultural and civil activities and events that enrich people's lives. The Trust is working in partnership with Argyll & Bute Council Community Education to offer a range of new training opportunities

East Kintyre Broadband Group, part of SKDT, continues to seek funding to provide internet access to the area where there is no broadband available. The Government initiative – The Gigabyte Scheme – continues to be investigated in the hope that provision, which others take for granted, can at last enable the 20+ houses and businesses in the area to receive broadband now essential not only for social purposes but also for the economy of part of Kintyre.

SKDT has signed a Memorandum of Understanding with East Kintyre Renewable Energy Group to negotiate on behalf of the Trust with energy suppliers to explore community shared ownership of renewable energy projects in Kintyre with the aim of producing a sustainable model for the benefit of the local community.

### **Objective 3**

*To advance the provisions for educational opportunities in the Community relating to environment, culture, heritage and/or history.*

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 of local amenities for the community.

SKDT was awarded Heritage Lottery funding to introduce new cultural project called Top Skippers' Choice to document and celebrate the history of shipbuilding in Kintyre. SKDT was responsible for the delivering this research project which culminated in a week-long exhibition which was nationally acclaimed. The exhibition, which was attended by approx. 500 individuals over the week, showcased the history of the Campbeltown Shipyard and was curated by Jan Nimmo, a local artist and film director.

### **Objective 4**

*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.*

The "Rooting For You" project worked with local volunteers to create a perennial herb garden at an unsightly area next to the local putting green. The Trust continue to be responsible for and to maintain the Gateway Garden, again, with the help of volunteers. This area was recently replanted with annuals donated by Glenbarr Nurseries.

### **Marketing and Advertising**

With the introduction of the SKDT website in 2018, following the success of the Campbeltown Town Hall website, the online and social media presence of the company was increased significantly. These websites are both linked to our Facebook and Twitter accounts so our blog and social media are kept up to date. The community are invited to sign up to the blog to receive up-to-date news about the activities of SKDT.

# **SOUTH KINTYRE DEVELOPMENT TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

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### **Financial review**

#### *Fund Raising*

During this period, the Trust attracted funding for all key projects undertaken. Additional core funding of £20,224 from Scottish Land Fund was received in the year towards the renovation of the SKDT Hall. Revenue grants totalling £65,020 were received from Argyll & Bute Council, The Big Lottery Fund and the Common Good fund.

Community fund raising and donations for SKDT and the Town Hall amounted to £671. Total funds raised and rived in the year amounted to £98,796. Expenditure incurred amounted to £204,186 mainly in relation to staff costs, depreciation and the overheads of running the operations.

Against the backdrop of the Covid Pandemic and insecurities over funding (particularly a reduction in European funding relating to Brexit) it continues to be difficult to plan too far ahead. Nevertheless, the Trust, with the aid of sound financial management and the support of both its staff and volunteers, generated a very positive financial outcome for the period. Its success in obtaining new funding this financial year from the Big Lottery Fund will provide much needed additional resources going forward.

All project budgets now fall under the administration of the Trust Manager who ensures the Board receive updated monthly cash flow figures. SKDT staff have been trained and are now competent in the XERO accounting software which was found to be a more user-friendly system and should improve the financial reporting going forward. The introduction of electronic card payments for users was welcomed by customers and improved reconciliation of payments for the financial overview.

#### *Our pricing policy*

SKDT has 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 activities and attend events. To increase income, licence holders have been trained and registered which has enabled SKDT to offer licenced bars at social events.

#### *Policy on Reserves*

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organization. It has established a policy to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The reserves policy adopted secures three months employment costs, plus three months building and running costs as follows:

The reserves intended to be set aside should provide financial stability and the means for the operation of the principal activities.

As time progresses, the aim is to maintain reserves at a level which is at least equivalent to three months running costs for the Town Hall, including salaries for staff.

The Board will annually review the amount of reserves to ensure that they are adequate to fulfil the Trust's continuing obligations.

The trustees has assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.



# **SOUTH KINTYRE DEVELOPMENT TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

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### **Plans for future periods**

#### *Aims and key objectives for future periods*

The charity plans to continue, expand and develop the activities outlined above in the forthcoming years subject to satisfactory funding arrangements, while continuing to look at addressing any emerging changes to community aspirations and needs.

### **Structure, governance and management**

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs Felicity Kelly, Chair	
Raymond P McIntosh-Walley, Vice Chair	(Resigned 5 April 2019)
Les Van Acker	
Sandra Spence, Finance Director	
Cameron M Mclellan	(Resigned 12 June 2019)
Ian Kendrick	(Appointed 17 July 2019)
Mrs A Gallacher	(Resigned 11 February 2020)

# **SOUTH KINTYRE DEVELOPMENT TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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### *Recruitment and appointment of trustees*

SKDT is governed by a board of 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 the Board to co-opt Directors to ensure a suitable spread of skills and experience within the Board.

One-third of the Directors resign at each Annual General Meeting but are eligible for re-election. 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 & Staff*

Prospective Directors 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, Finance Director, IT, etc. 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.

At the first meeting after each AGM the Board of SKDT nominates a Chair, Vice Chair, Finance Director and Company Secretary. All Trustees give their time voluntarily and receive no benefit from the charity.

This financial year staff have undergone training in Personal Licence, Xero Accounting Software, PAT Testing and IT.

### *Organisational structure*

#### **Senior Management Team**

The Trust Manager ensures that the charity delivers the services specified and meets its strategic aims and administers the Trust's affairs and project development with the support of Directors and volunteers. The Trust 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 Articles of Association. It is the responsibility of staff to implement these decisions and progress the projects.

The current Directors are pleased with the development and progress of the Trust during the year to 31 March 2020 and wish to express their heartfelt gratitude to the staff, volunteers and the members of the Trust for their continued support and efforts towards meeting their objectives.

The trustees' report was approved by the Board of Trustees.

## **SOUTH KINTYRE DEVELOPMENT TRUST**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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*Felicity Kelly*

Trustee

Dated: *18<sup>th</sup> March 2021*

# **SOUTH KINTYRE DEVELOPMENT TRUST**

## **INDEPENDENT EXAMINER'S REPORT**

### **TO THE TRUSTEES OF SOUTH KINTYRE DEVELOPMENT TRUST**

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I report on the financial statements of the Trust for the year ended 31 March 2020, which are set out on pages 10 to 21.

#### **Respective responsibilities of trustees and examiner**

The Trust's trustees, who are also the directors of South Kintyre Development Trust for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The 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 financial statements 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 statement**

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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

#### **Independent examiner's statement**

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Iain D C Webster C.A.

The Old Surgery  
School Road  
Tarbert  
Argyll  
PA29 6UL

Dated: 18 March 2021

# SOUTH KINTYRE DEVELOPMENT TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>							
Donations and legacies	3	2,302	63,390	65,692	5,278	170,324	175,602
Charitable activities	4	31,213	-	31,213	33,845	-	33,845
Investments	5	287	-	287	226	-	226
<b>Total income</b>		<b>33,802</b>	<b>63,390</b>	<b>97,192</b>	<b>39,349</b>	<b>170,324</b>	<b>209,673</b>
<b>Expenditure on:</b>							
Raising funds	6	2,609	-	2,609	722	-	722
Charitable activities	7	38,340	165,846	204,186	37,478	170,552	208,030
Other	11	-	8,914	8,914	-	-	-
<b>Total resources expended</b>		<b>40,949</b>	<b>174,760</b>	<b>215,709</b>	<b>38,200</b>	<b>170,552</b>	<b>208,752</b>
<b>Net (expenditure)/income for the year/</b>							
<b>Net movement in funds</b>		<b>(7,147)</b>	<b>(111,370)</b>	<b>(118,517)</b>	<b>1,149</b>	<b>(228)</b>	<b>921</b>
Fund balances at 1 April 2019		16,841	1,808,033	1,824,874	15,692	1,808,261	1,823,953
<b>Fund balances at 31 March 2020</b>		<b>9,694</b>	<b>1,696,663</b>	<b>1,706,357</b>	<b>16,841</b>	<b>1,808,033</b>	<b>1,824,874</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# SOUTH KINTYRE DEVELOPMENT TRUST

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Property, plant and equipment	12		1,654,713		1,740,363
<b>Current assets</b>					
Trade and other receivables	13	13,278		46,034	
Cash at bank and in hand		65,516		62,773	
		<u>78,794</u>		<u>108,807</u>	
<b>Current liabilities</b>	14	(27,150)		(24,296)	
Net current assets			51,644		84,511
<b>Total assets less current liabilities</b>			<u>1,706,357</u>		<u>1,824,874</u>
<b>Income funds</b>					
Restricted funds	16		1,696,663		1,808,033
Unrestricted funds			9,694		16,841
			<u>1,706,357</u>		<u>1,824,874</u>

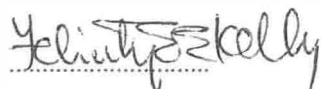
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 18<sup>th</sup> March 2021



Felicity E Kelly

Trustee

Company Registration No. SC349971

# **SOUTH KINTYRE DEVELOPMENT TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **1 Accounting policies**

#### **Charity information**

South Kintyre Development Trust is a private company limited by guarantee incorporated in Scotland. The registered office is Campbeltown Town Hall, 54 Main Street, Campbeltown, ARGYLL, PA28 6AB.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Trust's Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016). The Trust is a Public Benefit Entity as defined by FRS 102.

The Trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The Trustees have considered the risks and impact of Covid-19 and conclude that the exposure presented to the Charity is minimal due to the main outgoing costs (wages) being met by the governments Job Retention Scheme with additional support being presented by local authority grants and support.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### **1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is all considered as expenditure on charitable activities and includes the cost of running the Charity as well as grants. All costs are exclusive of VAT where applicable.

# SOUTH KINTYRE DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% straight line
Fixtures and fittings	20% straight line
Computers	15% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of non-current assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# SOUTH KINTYRE DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# SOUTH KINTYRE DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	671	-	671	5,278	-	5,278
Government and other grants	1,631	63,390	65,021	-	170,324	170,324
	<u>2,302</u>	<u>63,390</u>	<u>65,692</u>	<u>5,278</u>	<u>170,324</u>	<u>175,602</u>

### 4 Charitable activities

	Town Hall 2020 £	Town Hall 2019 £
Sales within charitable activities	18,404	19,914
Other events income	6,685	5,158
Other trading income	6,124	8,773
	<u>31,213</u>	<u>33,845</u>

### 5 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	<u>287</u>	<u>226</u>

### 6 Raising funds

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Fundraising and publicity</u>		
Other fundraising costs and bad debts	2,609	722
	<u>2,609</u>	<u>722</u>



# SOUTH KINTYRE DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 6 Raising funds (Continued)

### 7 Charitable activities

	Town Hall 2020 £	Town Hall 2019 £
Share of support costs (see note 8)	199,458	204,915
Share of governance costs (see note 8)	4,728	3,115
	<u>204,186</u>	<u>208,030</u>
<b>Analysis by fund</b>		
Unrestricted funds	38,340	37,478
Restricted funds	165,846	170,552
	<u>204,186</u>	<u>208,030</u>

# SOUTH KINTYRE DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	76,095	-	76,095	79,695	-	79,695
Depreciation	85,650	-	85,650	82,987	-	82,987
Rent and rates	1,673	-	1,673	3,700	-	3,700
Insurance	3,469	-	3,469	3,752	-	3,752
Heat, light and power	6,479	-	6,479	7,000	-	7,000
Repairs, maintenance and cleaning	4,425	-	4,425	6,023	-	6,023
Equipment repairs and renewals	1,386	-	1,386	-	-	-
Telephone, website and internet	2,334	-	2,334	3,406	-	3,406
Advertising, postage and stationary	1,579	-	1,579	2,755	-	2,755
Office expenses	944	-	944	1,099	-	1,099
Travel and accommodation	271	-	271	304	-	304
Consultancy	15,153	-	15,153	14,194	-	14,194
Independent examination	-	1,250	1,250	-	1,250	1,250
Accountancy	-	1,869	1,869	-	1,370	1,370
Legal and professional	-	1,609	1,609	-	495	495
	<u>199,458</u>	<u>4,728</u>	<u>204,186</u>	<u>204,915</u>	<u>3,115</u>	<u>208,030</u>
Analysed between Charitable activities	<u>199,458</u>	<u>4,728</u>	<u>204,186</u>	<u>204,915</u>	<u>3,115</u>	<u>208,030</u>

Governance costs includes payments to the independent examiners of £1,250 (2019- £1,250) for Independent Examination and £1,869 (2019: £1370) for other services.

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the year but one Trustee was reimbursed £32.13 for expenses (2019: none).

# SOUTH KINTYRE DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

2020 Number	2019 Number
6	9

#### Employment costs

	2020 £	2019 £
Wages and salaries	73,493	78,738
Other pension costs	2,602	957
	<u>76,095</u>	<u>79,695</u>

### 11 Other

	Restricted funds	Total £
	2020	2019
Grant funding no longer available	<u>8,914</u>	<u>-</u>

### 12 Property, plant and equipment

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 April 2019	<u>1,949,235</u>	<u>36,583</u>	<u>2,426</u>	<u>1,988,244</u>
At 31 March 2020	<u>1,949,235</u>	<u>36,583</u>	<u>2,426</u>	<u>1,988,244</u>
<b>Depreciation and impairment</b>				
At 1 April 2019	<u>224,136</u>	<u>23,381</u>	<u>364</u>	<u>247,881</u>
Depreciation charged in the year	<u>77,969</u>	<u>7,317</u>	<u>364</u>	<u>85,650</u>
At 31 March 2020	<u>302,105</u>	<u>30,698</u>	<u>728</u>	<u>333,531</u>
<b>Carrying amount</b>				
At 31 March 2020	<u>1,647,130</u>	<u>5,885</u>	<u>1,698</u>	<u>1,654,713</u>
At 31 March 2019	<u>1,725,099</u>	<u>13,202</u>	<u>2,062</u>	<u>1,740,363</u>

# SOUTH KINTYRE DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 13 Trade and other receivables

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade receivables	11,447	10,138
Other receivables	1,831	35,104
Prepayments and accrued income	-	792
	<u>13,278</u>	<u>46,034</u>

### 14 Current liabilities

	Notes	2020 £	2019 £
Other taxation and social security		1,327	567
Deferred income	15	22,292	19,936
Trade payables		1,761	1,665
Accruals and deferred income		1,770	2,128
		<u>27,150</u>	<u>24,296</u>

### 15 Deferred income

	2020 £	2019 £
Other deferred income	<u>22,292</u>	<u>19,936</u>

# SOUTH KINTYRE DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£	£	£	£
Town Hall - Capital	1,754,344	-	(82,623)	1,671,721	-	(82,623)	1,589,098
Town Hall - Revenue	52,077	-	(29,678)	22,399	-	(22,399)	-
Red Cross Building (Scottish Land Fund) - Capital	-	83,750	-	83,750	-	(11,576)	72,174
Red Cross Building (Scottish Land Fund) - Revenue	-	24,000	-	24,000	-	(24,000)	-
Quarry Green Gardens	1,090	-	-	1,090	-	-	1,090
Laggan Community Council	750	-	-	750	-	-	750
Big Lottery Fund	-	40,000	(40,000)	-	35,000	(5,772)	29,228
Argyll & Bute Council	-	10,000	(10,000)	-	12,050	(12,050)	-
Fyne Homes	-	7,251	(7,251)	-	-	-	-
Groundwork UK (Tesco)	-	1,000	(1,000)	-	-	-	-
NHS Highland	-	814	-	814	-	-	814
Others	-	3,509	-	3,509	-	-	3,509
Campbeltown Common Good Fund	-	-	-	-	6,440	(6,440)	-
Heritage Lottery Fund	-	-	-	-	9,900	(9,900)	-
	<u>1,808,261</u>	<u>170,324</u>	<u>(170,552)</u>	<u>1,808,033</u>	<u>63,390</u>	<u>(174,760)</u>	<u>1,696,663</u>

Included within Restricted Funds is the cost of the Town Hall (net book value of £1,671,721) that is funded by various grants within "Town Hall - Capital" and the former Red Cross Building (cost of £66,580) which is funded by the "Scottish Land Fund - Capital". The Scottish Land Fund - Capital balance (£83,750) consists of the cost of the building and associated costs (£66,580) plus £17,170 of other capital costs which are yet to be expended by the Charity.



# SOUTH KINTYRE DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 17 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Property, plant and equipment	1,699	1,653,014	1,654,713	2,063	1,738,300	1,740,363
Current assets/ (liabilities)	7,995	43,649	51,644	14,778	69,733	84,511
	<u>9,694</u>	<u>1,696,663</u>	<u>1,706,357</u>	<u>16,841</u>	<u>1,808,033</u>	<u>1,824,874</u>

### 18 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).