

Company registration number: SC349971

Charity registration number: SC042018

26 SEP 2018

# South Kintyre Development Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2018

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**

<b>Trustees</b>	Mrs Felicity Kelly, Chair Raymond P McIntosh-Walley, Vice Chair Les Van Acker, Finance Director David Wares R Colville Sandra Spence Cameron M Mclellan (appointed 11 April 2018)
<b>Secretary</b>	Patrick Stewart
<b>Senior Management Team</b>	Zena Coffield, Trust Manager
<b>Principal Office</b>	Campbeltown Town Hall 54 Main Street Campbeltown Argyll PA28 6AB The charity is incorporated in Scotland.
<b>Charity registration number</b>	SC042272
<b>Company Registration Number</b>	SC349971
<b>Solicitors</b>	C & D Mactaggart Castlehill Campbeltown PA28 6AR
<b>Bankers</b>	Clydesdale Bank 19 Longrow, Campbeltown PA28 6ER
<b>Independent Examiner</b>	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 2018.

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

##### ***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.

##### ***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 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. 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***

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 benefits from the charity.

# **South Kintyre Development Trust**

## **Trustees' Report**

### ***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.

#### **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 Strategic plan is updated regularly 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 6 staff, 5 Directors, over 600 members, 15 regular volunteers and over 50 registered 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.

Our current strategic plan focusses on growing the organisation and expanding services through a Community Access project which will reduce inequalities and raise people's aspirations.

We have referred to the guidance contained in OSCR's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities

The focus of our work

Our main objectives for the year were:

1. Provision of recreational facilities/activities
2. Advancement of Community Development/regeneration
3. Educational Opportunities relating to the environment, culture, heritage or history
4. Environmental protection/conservation

#### ***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:

##### **Objective 1**

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.

The main focus of SKDT's activities during this financial period continue to be the redevelopment of the Town Hall. The funding for the Manager's post ceased in December 2017 so the Trustees made the decision to absorb the workload with the daily duties of the other staff.

With the Scottish Governments Strengthening Communities Programme coming to an end in March 2018 an application to the Big Lottery for a community led grant was successful. £75k has been awarded which will enable the Trust to sustain and develop activities at Campbeltown Town Hall, which contribute towards the regeneration of Campbeltown and the surrounding areas. This funding will help towards staffing cost which is crucial to the development of further projects and increased sustainability of the Town hall.

A fresh new website introduced in January 2018 offers quick and easy access to information and features including an online facility to book the venue. This had an immediate impact on booking numbers which continue to grow steadily. The inaugural Gin Festival in April was a huge success with plans already in place for 2019.

The first Tea Dance was held in March and has already taken place again in this financial year. Block bookings for room hire have increased with regular hires coming from organisations such as Community Council and fitness groups like Palates and dance workshops.

Exhibitions are planned for late summer. The Main Hall has a lack of wall space due to the expanse of windows however £750 was donated by Laggan Community council towards the cost of exhibition boards which are in the process of being made.

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. The Daft About Craft Group in partnership with Shopper-Aide raised over £900 from the sale of crafts and provides a platform for intergenerational activities.

##### **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 which meet social and economic objectives. It provides learning and volunteering opportunities, social, recreational, cultural and civic activities and events that enrich people's lives. The trust is working in partnership with ABC Community Education to offer a range of new training opportunities ranging from cooking to photography.

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 latest government initiative – the Gigabyte scheme -is currently being 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

In 2017 The Scottish Land Fund awarded a Stage 2 grant to pursue the purchase of the SSE Hydro building which would increase service delivery for older people, bring an empty building back into effective use and provide an income for SKDT. The building is still not on the market.

## **South Kintyre Development Trust**

### **Trustees' Report**

#### **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 and local amenities for the community.

The Road to Drumleman project continued into 2017 and although the project itself has been completed Jan Nimmo continues to update the blog archive for the benefit of future generations who want to find out about the history of Argyll Coal mining.

#### **Objective 4**

Environmental protection/ improvement/preservation and conservation, provision of environmental amenities.

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 park continues to be maintained by volunteers. Funding from Fyne Homes People and Communities enabled the putting green to be opened for summer 2017 and slightly earlier in June 2018. The adjoining piece of land has been turned into a herb/vegetable garden and the area has been fenced off.

£1000 was awarded from Tesco Bags of Help for the "Rooting for each other" project which brings people together to grow seedlings to be nurtured at home until they are ready to be planted out in displays enhancing the local area.

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 the area. Similar funding was secured in May 2018.

#### **Marketing and Advertising:**

SKDT has a new website released in June 2018 following the success of the Town Hall website. The blog and social media are kept up to date. The community are invited to sign up to the blog and receive up to date news and a Newsletter is issued periodically.

## **South Kintyre Development Trust**

### **Trustees' Report**

#### **Financial review**

##### **Fund Raising:**

During the period the Trust attracted funding for all key projects undertaken. Core funding was from Scottish Government's Strengthening Community Fund with £25,208 received in the year while the Town Hall received revenue grants totalling £26,928 from the Common Good Fund, Argyll & Bute Council and the Big Lottery Fund. Local fund raising and donations for SKDT and the Town Hall amounted to £3,273.

Against the backdrop of limited resources and insecurities over funding, it continues to be difficult to plan too far ahead. Nevertheless the charity, 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. During this financial year, funding for both capital and revenue income streams for the Town Hall came to an end after 5 years. This resulted in an overall reduction in income marking the successful completion of the Town Hall Project. Its success in obtaining new funding for 2018/20 from The Big Lottery 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.

The introduction of a part time Financial post ensures that all Sage data input is up to date and invoices are sent in line with the Terms & conditions set in the Town Hall Booking Process.

##### **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 charge for a coffee morning on a Saturday is £80 and our small meeting room community rate charge is £6 per hour (weekdays).

#### ***Policy on reserves***

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. 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 3 months employment costs plus three months building and running costs as follows: The reserves that we intend to set aside will provide financial stability and the means for the development of our principal activity. As time progresses we aim to maintain reserves at a level which is at least equivalent to 3 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 our continuing obligations.

#### **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.

## **South Kintyre Development Trust**

### **Trustees' Report**

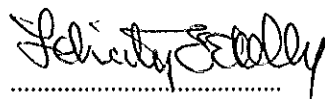
#### **Funds held as custodian trustee on behalf of others**

The Charity does not hold any funds as Custodian Trustee.

#### **Small companies provision statement**

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

The annual report was approved by the trustees of the charity on 13 September 2018 and signed on its behalf by:



.....  
Mrs Felicity Kelly  
Trustee

## **South Kintyre Development Trust**

### **Statement of Trustees' Responsibilities**

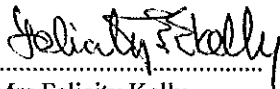
The trustees (who are also the directors of South Kintyre Development Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 13 September 2018 and signed on its behalf by:



Mrs Felicity Kelly  
Trustee

## **South Kintyre Development Trust**

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

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2018 which are set out on pages 12 to 24.

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

As the charity's trustees of South Kintyre Development Trust (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

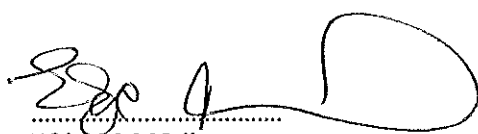
Having satisfied myself that the accounts of South Kintyre Development Trust are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

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

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of South Kintyre Development Trust as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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

  
.....  
Efric A McNeil  
Chartered Accountant

Knockbay House  
Kilkerran Road  
Campbeltown  
Argyll  
PA28 6JN

Date:.....28/09/18

## South Kintyre Development Trust

### Statement of Financial Activities for the Year Ended 31 March 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	375	125,449	125,824
Other trading activities	4	17,106	-	17,106
Investment income	5	11	-	11
Total income		<u>17,492</u>	<u>125,449</u>	<u>142,941</u>
<b>Expenditure on:</b>				
Raising funds		(573)	-	(573)
Charitable activities	6	<u>(13,500)</u>	<u>(182,163)</u>	<u>(195,663)</u>
Total expenditure		<u>(14,073)</u>	<u>(182,163)</u>	<u>(196,236)</u>
Net income/(expenditure)		3,419	(56,714)	(53,295)
Transfers between funds		<u>2,115</u>	<u>(2,115)</u>	<u>-</u>
Net movement in funds		5,534	(58,829)	(53,295)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>10,158</u>	<u>1,867,090</u>	<u>1,877,248</u>
Total funds carried forward	13	<u>15,692</u>	<u>1,808,261</u>	<u>1,823,953</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
<b>Income and Endowments from:</b>				
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		<u>9,222</u>	<u>297,299</u>	<u>306,521</u>
<b>Expenditure on:</b>				
Raising funds		-	(592)	(592)
Charitable activities	6	<u>(8,752)</u>	<u>(211,385)</u>	<u>(220,137)</u>
Total expenditure		<u>(8,752)</u>	<u>(211,977)</u>	<u>(220,729)</u>
Net income		470	85,322	85,792
Transfers between funds		<u>7,077</u>	<u>(7,077)</u>	<u>-</u>
Net movement in funds		7,547	78,245	85,792
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>2,611</u>	<u>1,788,845</u>	<u>1,791,456</u>
Total funds carried forward	13	<u>10,158</u>	<u>1,867,090</u>	<u>1,877,248</u>

## **South Kintyre Development Trust**

### **Statement of Financial Activities for the Year Ended 31 March 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

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

The funds breakdown for 2017 is shown in note 13.

## South Kintyre Development Trust

(Registration number: SC349971)  
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	10	1,754,344	1,786,535
<b>Current assets</b>			
Debtors	11	48,640	25,878
Cash at bank and in hand		<u>27,058</u>	<u>76,191</u>
		75,698	102,069
<b>Creditors: Amounts falling due within one year</b>	12	<u>(6,089)</u>	<u>(11,356)</u>
<b>Net current assets</b>		<u>69,609</u>	<u>90,713</u>
<b>Net assets</b>		<u>1,823,953</u>	<u>1,877,248</u>
<b>Funds of the charity:</b>			
<b>Restricted funds</b>		1,808,261	1,867,090
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>15,692</u>	<u>10,158</u>
<b>Total funds</b>	13	<u>1,823,953</u>	<u>1,877,248</u>

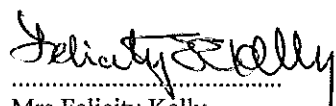
For the financial year ending 31 March 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### 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 12 to 24 were approved by the trustees, and authorised for issue on 13 September 2018 and signed on their behalf by:



Mrs Felicity Kelly  
Trustee

## **South Kintyre Development Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2018**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in Scotland, 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.

The address of its registered office is:

Campbeltown Town Hall  
54 Main Street  
Campbeltown  
Argyll  
PA28 6AB

These financial statements were authorised for issue by the trustees on 13 September 2018.

#### **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). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **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.

##### **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.

## **South Kintyre Development Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2018**

#### ***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.

#### ***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.

## **South Kintyre Development Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2018**

#### **Tangible fixed assets**

Individual fixed assets costing £300.00 or more are initially recorded at cost.

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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.

## **South Kintyre Development Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2018**

#### **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.

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 2018

#### 3 Income from donations and legacies

	Unrestricted funds			
	General £	Restricted funds £	Total 2018 £	Total 2017 £
Donations and legacies;				
Donations from individuals	375	-	375	2,005
Grants, including capital grants;				
Government grants	-	108,702	108,702	97,221
Grants from other charities	-	16,747	16,747	186,959
Regular giving and capital donations	-	-	-	99
	<u>375</u>	<u>125,449</u>	<u>125,824</u>	<u>286,284</u>

#### 4 Income from other trading activities

	Unrestricted funds			
	General £	Total 2018 £	Total 2017 £	
Trading income;				
Sales of goods and services	13,499	13,499	19,112	
Other trading income	709	709	771	
Events income;				
Other events income	<u>2,898</u>	<u>2,898</u>	<u>312</u>	
	<u>17,106</u>	<u>17,106</u>	<u>20,195</u>	

#### 5 Investment income

	Unrestricted funds			
	General £	Total 2018 £	Total 2017 £	
Interest receivable and similar income;				
Interest receivable on bank deposits	<u>11</u>	<u>11</u>	<u>42</u>	

#### 6 Expenditure on charitable activities

	Activity undertaken directly £	Total 2018 £	Total 2017 £	
Staff pensions	329	329	305	
Rent and rates	1,425	1,425	101	

## South Kintyre Development Trust

### Notes to the Financial Statements for the Year Ended 31 March 2018

	Activity undertaken directly £	Total 2018 £	Total 2017 £
Insurance	3,564	3,564	6,249
Heat, light and power	4,729	4,729	5,433
Repairs and maintenance	3,416	3,416	1,145
Equipment repairs and renewals	164	164	1,404
Cleaning	5,153	5,153	5,282
Wages and salaries	63,641	63,641	78,781
Telephone, website and internet	4,499	4,499	1,932
Advertising, postage and stationery	4,239	4,239	7,244
Office expenses	1,129	1,129	1,591
Travel and accommodation	552	552	709
Staff training and recruitment	-	-	2,220
Independent examiner fees	1,000	1,000	900
Accountancy & payroll fees	541	541	1,067
Consultancy and external project fees	18,659	18,659	22,722
Legal and professional fees	-	-	3,288
Cost of trustee meetings	-	-	76
Bank charges	-	-	23
Depreciation of freehold depreciation	75,306	75,306	73,524
Depreciation of fixtures and fittings	7,317	7,317	6,141
	<u>195,663</u>	<u>195,663</u>	<u>220,137</u>

£13,500 (2017 - £8,752) of the above expenditure was attributable to unrestricted funds and £182,163 (2017 - £211,385) to restricted funds.

#### 7 Trustees remuneration and expenses

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

The trustees confirm that there were no related party transactions in the year.

#### 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:

	2018 No	2017 No
Employee numbers	<u>5</u>	<u>6</u>

Contributions to the employee pension schemes for the year totalled £329 (2017 - £305).

**South Kintyre Development Trust**

**Notes to the Financial Statements for the Year Ended 31 March 2018**

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 2018

#### 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 £
<b>Cost</b>			
At 1 April 2017	1,838,102	30,705	1,868,807
Additions	<u>44,553</u>	<u>5,878</u>	<u>50,431</u>
At 31 March 2018	<u>1,882,655</u>	<u>36,583</u>	<u>1,919,238</u>
<b>Depreciation</b>			
At 1 April 2017	73,524	8,747	82,271
Charge for the year	<u>75,306</u>	<u>7,317</u>	<u>82,623</u>
At 31 March 2018	<u>148,830</u>	<u>16,064</u>	<u>164,894</u>
<b>Net book value</b>			
At 31 March 2018	<u>1,733,825</u>	<u>20,519</u>	<u>1,754,344</u>
At 31 March 2017	<u>1,764,578</u>	<u>21,958</u>	<u>1,786,536</u>

#### 11 Debtors

	2018 £	2017 £
Trade debtors	6,423	17,612
Prepayments	1,142	1,942
Other debtors	<u>41,075</u>	<u>6,324</u>
	<u>48,640</u>	<u>25,878</u>

#### 12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	731	9,292
Other creditors	3,526	681
Accruals	<u>1,832</u>	<u>1,383</u>
	<u>6,089</u>	<u>11,356</u>

## South Kintyre Development Trust

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 13 Funds

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2018 £
<b>Unrestricted funds</b>					
<i>General</i>					
General	10,158	17,492	(14,073)	2,115	15,692
<b>Restricted funds</b>					
Town Hall - Capital	1,786,535	48,750	(82,623)	1,682	1,754,344
Town Hall - Revenue	50,240	26,928	(23,409)	(1,682)	52,077
Strengthening Communities	19,877	25,208	(44,234)	(851)	-
Hydro Project	-	10,315	(10,315)	-	-
Campbeltown Connections	446	-	-	(446)	-
Road to Drumlemin	5,330	-	(4,572)	(758)	-
Fyne Homes	-	6,860	(6,860)	-	-
Quarry Green Gardens/NHS	-	2,000	(910)	-	1,090
Community Landscape Projects	836	2,500	(3,336)	-	-
Community Learning Exchange	-	638	(638)	-	-
Old Post Office	3,826	-	(3,826)	-	-
Laggan Community Council	-	750	-	-	750
West Kintyre Community Council	-	1,500	(1,440)	(60)	-
<b>Total restricted funds</b>	<u>1,867,090</u>	<u>125,449</u>	<u>(182,163)</u>	<u>(2,115)</u>	<u>1,808,261</u>
<b>Total funds</b>	<u>1,877,248</u>	<u>142,941</u>	<u>(196,236)</u>	<u>-</u>	<u>1,823,953</u>

## South Kintyre Development Trust

### Notes to the Financial Statements for the Year Ended 31 March 2018

	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2017 £
<b>Unrestricted funds</b>					
<i>General</i>					
General	2,611	9,222	(8,752)	7,077	10,158
<b>Restricted funds</b>					
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
Hydro Project	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)	-
Quarry Green Gardens/NHS	-	4,222	(1,700)	(2,522)	-
Community Landscape Projects	-	9,500	(8,664)	-	836
Community Learning Exchange	-	10,500	(6,169)	(4,331)	-
Old Post Office	-	5,991	(2,165)	-	3,826
<b>Total restricted funds</b>	<u>1,788,845</u>	<u>297,299</u>	<u>(211,977)</u>	<u>(7,077)</u>	<u>1,867,090</u>
<b>Total funds</b>	<u>1,791,456</u>	<u>306,521</u>	<u>(220,729)</u>	<u>-</u>	<u>1,877,248</u>

#### 14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	-	1,754,344	1,754,344
Current assets	21,017	54,681	75,698
Current liabilities	<u>(5,325)</u>	<u>(764)</u>	<u>(6,089)</u>
<b>Total net assets</b>	<u>15,692</u>	<u>1,808,261</u>	<u>1,823,953</u>