

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017**

**KEN TAIT & CO
CHARTERED ACCOUNTANTS**

Company No: SC234200

**CUMBRAE COMMUNITY DEVELOPMENT COMPANY
YEAR ENDED 31ST MARCH 2017**

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CUMBRAE COMMUNITY DEVELOPMENT COMPANY

YEAR ENDED 31ST MARCH 2017

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Name Cumbrae Community Development Company

Governing Documentation

Cumbrae Community Development Company was established as a company limited by guarantee and is registered as a charity. The affairs of the Company are governed by its memorandum and articles of association. The liability of the members in the event of the Company being wound up is limited to a sum not exceeding £1.00.

Trustees Bob Campbell (resigned 23rd January 2017)
Stephen Dobbin
Alan David Hill
Douglas Kerr
Christine McCulloch
Darren McLachlan (appointed 3rd October 2016)
Douglas Laidlaw (appointed 30th January 2017)
John McNeilly (appointed 3rd June 2016-resigned 27th October 2016)
Kelly Norton (resigned 23rd January 2017)
Graeme Schreiber (resigned 23rd January 2017)
David Alexander Stevenson
Scott Watson (appointed 3rd June 2016)
David Williamson (appointed 23rd January 2017)

Company Secretary Mr Stephen Richard White

Method of appointment / election

Trustees are appointed at the Annual General Meeting.

Company number SC234200 (Scotland)

Charity number SC033383

Registered Office Garrison House
West Lodge
2 Clifton Street
Isle of Cumbrae
Ayrshire

Auditor Ken Tait & Co
18 Avon Street
Hamilton
ML3 7HU

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

YEAR ENDED 31ST MARCH 2017

TRUSTEE'S REPORT

The Trustees present their report and financial statements for the year ended 31st March 2017.

Objectives and aims

The company is established solely for charitable purposes within the Island of Cumbrae and its environs and in particular for the following purposes:

"To assist in the relief of poverty among residents of the Island of Cumbrae by providing facilities for recreation within that area,"

CCDC Chairman's Report 2017

This has been a challenging year for CCDC and during my six years of service on the Board, it is abundantly clear that no vision will come to fruition without the collective collaboration of the many groups on the island.

We are however hopeful that the new 'locality planning' for the Isle of Cumbrae with a clear emphasis on locality capacity, is the way forward.

The Cumbrae Economic Forum (CEF) under the leadership of Mr. David Williamson, will offer us all a new beginning of growth and prosperity. CCDC intends to continue to offer our wholehearted support to CEF.

We also aim to move forward in close co-operation with North Ayrshire Council to deliver a business plan to kick start the Garrison House Master Plan. CCDC's major proposal for Millport is to secure a 'wet weather facility' for locals and visitors alike within the Garrison House grounds. We first discussed this vision at the 2016 AGM and we have explored all the options raised by community groups with our consultants KP Associates.

We are working closely with other community groups to deliver the very best storm water defense system for this island, which will not only be environmentally effective but also add to the economic opportunities for all who choose to live, work and play on this island.

CCDC also took on the management of the 'Toilet Facilities' on the island in the year under review. Along with those located within the Garrison and it's grounds, we now look after seven toilet blocks throughout the island, which is no mean feat in itself.

Our preferred governance model is for CCDC Directors to be non-executive and employ professional staff to rebuild community capacity. We have also developed trading subsidiaries, which are also social enterprise companies backed by the CCDC Board and with a great deal of freedom to develop and grow.

It is my final wish that more members make themselves available to serve on these subsidiaries, as we feel this is the best way of harnessing the huge amount of voluntary support without over exposing the willing few.

S. Dobbin – Chairperson.
October 2017.

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

YEAR ENDED 31ST MARCH 2017

TRUSTEE'S REPORT (CONTINUED)

Trustee's responsibility for the financial statements

The trustees (who are also directors of Cumbrae Community Development Company for the purposes of the company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and 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 true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at the 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 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 that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Position

The Statement of Financial Activities shows a net outflow of £119,525. Grant income remained steady during the year.

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

YEAR ENDED 31ST MARCH 2017

TRUSTEE'S REPORT (CONTINUED)

Policy Statement

In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and apply them consistently;
- make adjustments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

Reserve Policy

Reserves may be held where the Trustees feel there is a need to do so to ensure the charity's financial well-being and continuation. The board considers the present level of reserves to be adequate.

Risk Assessment

The Trustees review the major risks associated with the activities of the charity on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of internal controls over key systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Auditors

A resolution proposing Ken Tait & Co is re-appointed as auditors of the charity will be put to the Annual General meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and reporting by Charities, and in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)

Approval

This report was approved by the board of directors and trustees and signed on its behalf by

S Dobbin-Trustee

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

YEAR ENDED 31ST MARCH 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CUMBRAE COMMUNITY DEVELOPMENT COMPANY

We have audited the Financial Statements of Cumbrae Community Development Company for the year ended 31 March 2017 on pages 8 to 16 comprising the Statement of Financial Activities, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Generally accepted Accounting Practice).

The report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's 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, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees- (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the charity's financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit 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 Ethical Standards for Auditors.

Scope of the Audit of 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CUMBRAE COMMUNITY DEVELOPMENT COMPANY

Opinion on financial statements

In our opinion the financial statements:

give a true and fair view of the state of the charity's affairs as 31st March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice; and

have been prepared in accordance with the requirements of the Companies Act 2006, The Charities and Trustee Investment(Scotland)Act 2005 and regulation 8 of the Charities Accounts(Scotland) regulations 2006 (as amended)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) 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

Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or

The financial statements are not in agreement with the accounting records and returns; or

Certain disclosures of trustee's remuneration specified by law are not made; or

We have not received all the information and explanations we require for our audit; or

The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Kenneth Tait

Senior Statutory Auditor

For on and behalf of Ken Tait & Co Statutory Auditor, 18 Avon Street, Hamilton

Ken Tait & Co is eligible to act as an auditor in terms of section 1212 of The Companies Act 2006

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

YEAR ENDED 31ST MARCH 2017

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Fund £'s	Restricted Fund £'s	2017 £'s	2016 £'s
INCOMING RESOURCES					
Incoming resources from generating funds					
Donations, Legacies & Similar Income	2	35,400	0	35,400	46,414
Operating Activities – Objects					
- Generating Funds	3	13,352	0	13,352	11,973
Total Incoming Resources		48,752	0	48,752	58,387
RESOURCES EXPENDED					
Cost of generating funds					
Fundraising trading: cost of goods sold and other costs		0	0	0	0
Charitable activities					
Economic development	4	0	119,999	119,999	132,769
Governance costs					
Charitable Expenditure – Objects		0	0	0	0
- Administration	5&6	48,278	0	48,278	60,508
Total Resources Expended		48,278	119,999	168,277	193,277
NET INCOMING/ (OUTGOING) RESOURCES		474	(119,999)	(119,525)	(134,890)
RECONCILIATION OF FUNDS					
Total Funds Brought Forward		19,741	5,228,188	5,247,929	5,382,819
Reallocation of funds	14	0	0	0	0
Revaluation of assets		0	(149,779)	(149,779)	0
TOTAL FUNDS CARRIED FORWARD	13	20,215	4,958,410	4,978,625	5,247,929

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

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

CASH FLOW

YEAR ENDED 31ST MARCH 2017

	Notes	2017
		£'s
Cash flows from operating activities:		
Net cash flows provided by operating activities		23,661
Cashflows from Financing activities:		
Loan / overdraft repayments		(26,960)
Change in cash and cash equivalents		<u>(3,299)</u>
Cash and cash equivalents at the start of the year		<u>35,844</u>
Cash and cash equivalents at the year end		<u>32,545</u>
Reconciliation of net Income to net cashflow from operating activities		
Net Incoming/ (expenditure) per SOFA		(119,525)
Adjustments for:		
Depreciation		117,110
Increase/ (decrease) in Creditors		(6,259)
(Increase)/ decrease in Debtors		29,446
		<u> </u>
Net cash provided by operating activities		<u>20,772</u>

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

BALANCE SHEET

YEAR ENDED 31ST MARCH 2017

	Notes	Unrestricted Fund	Restricted Fund	2017	2016
		£'s	£'s	£'s	£'s
FIXED ASSETS					
Tangible Fixed Assets	7	0	4,781,482	4,781,482	5,195,558
Investments	8	0	144,596	144,596	298
		0	4,926,078	4,926,078	5,195,856
CURRENT ASSETS					
Debtors	9	102,024	0	102,024	131,470
Bank & Cash on hand		2,308	30,237	32,545	35,844
		104,332	30,237	134,569	167,314
Amounts falling due within one year	10	(32,552)	(0)	(32,552)	(38,811)
NET CURRENT ASSETS		71,780	30,237	102,017	128,503
TOTAL ASSETS LESS CURRENT LIABILITIES		71,780	4,956,315	5,028,095	5,324,359
CREDITORS					
Amounts falling due after more than one year	11	(49,470)	(0)	(49,470)	(76,430)
NET ASSETS		22,310	4,956,315	4,978,625	5,247,929
FUNDS OF THE CHARITY	12	22,310	4,956,315	4,978,625	5,247,929

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and the Charity Sorp (FRS 102)

Approved by the board of directors and trustees on

and signed on behalf by:

S Dobbin-Trustee

The notes on pages 11 to 16 form part of these accounts

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST MARCH 2017

1 Accounting Policies

1.1 Basis of preparation of accounts

The Accounts been prepared in accordance with the requirements of the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) regulations 2006 (as amended) and Statement of Recommended Practice (FRS102) - Accounting by Charities.

1.1 Incoming resources

Voluntary income, grants and donations are included in incoming resources when they are receivable, except when the donors' conditions have not been fulfilled, then the income is deferred. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs. The charity receives the benefit of work carried out by volunteers and receives the use of facilities and equipment without charge. No value is placed on these gifts in kind within the accounts.

1.2 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT, which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these costs categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

1.3 Tangible fixed assets

Individual assets costing £50 or more are capitalised at cost.

Depreciation is provided on all tangible fixed assets on a reducing balance basis as follows:

Freehold property	2%
Fixtures & fittings	25%
Computer equipment	25%

Any grants received in respect of capital expenditure are accounted for when received.

1.4 Expenditure on administration

Administration expenditure includes all expenditure not directly related to the charitable activity or fundraising ventures.

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31ST MARCH 2017

1.5 Taxation

As a registered charity, the association benefits from rates relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included within the costs of those items to which it relates.

1.6 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease

2 Donations Legacies and similar income

	Restricted Funds £'s	Unrestricted Funds £'s	2017 £'s	2016 £'s
Business Gateway	0	0	0	798
Membership Fees	0	475	475	460
North Ayrshire Council	0	0	0	0
Argyll & Bute Council	0	0	0	0
Highland and Islands	0	0	0	0
Garrison House (Cumbrae) Ltd	0	16,940	16,940	13,069
Kelburn Wind Farm Community Fund	0	0	0	2,000
Garrison Café (Millport) Ltd	0	8,267	8,267	13,743
Millport Holiday Apartments Ltd	0	9,718	9,718	16,344
Other donations	0	0	0	0
	0	35,400	35,400	46,414

3 Activities for generating funds

	Restricted Funds £'s	Unrestricted Funds £'s	2017 £'s	2016 £'s
Marquee income and donations	0	150	15	893
Lease income	0	3,000	3,000	3,001
Lodge rental	0	10,202	10,202	4,433
Other income	0	0	0	1,406
Gain on disposal of an asset	0	0	0	2,240
	0	13,352	13,352	11,973

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31ST MARCH 2017

4 Charitable Activities costs

	Restricted Funds £'s	Unrestricted Funds £'s	2017 £'s	2016 £'s
Depreciation	119,999	0	119,999	132,769
	119,999	0	119,999	132,769

5 Administration

	Restricted Funds £'s	Unrestricted Funds £'s	2017 £'s	2016 £'s
Rent and rates	0	(107)	(107)	519
Light and heat	0	2,133	2,133	5,004
Repairs	0	271	271	590
Wages	0	35,870	35,870	36,920
Insurance paid	0	548	548	0
Website costs	0	166	166	300
Advertising	0	60	60	316
Telephone	0	2,898	2,898	3,048
Hall Hire	0	58	58	143
Travel & Entertainment	0	476	476	1,390
Software costs	0	0	0	150
Printing, postage and stationery	0	220	220	236
Membership	0	298	298	345
Professional Fees	0	377	377	3,217
Audit	0	3,000	3,000	1,200
Legal Fees	0	0	0	789
Bank charges	0	81	81	2,738
Sundry	0	62	62	1,017
Penalties	0	0	0	0
Loan Interest	0	1,867	1,867	2,586
	0	48,278	48,278	60,508

6 Staff Costs

	2017 £'s	2016 £'s
Wages and salaries	35,870	36,920
No of employees by function:	2	2

No employee earned £50,000 per annum or more and no expenses or salaries were paid to the Trustees.

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31ST MARCH 2017

7 Tangible fixed assets

Cost	Fixtures & Fittings £'s	Freehold Property £'s	Computer Equipment £'s	Total £'s
At 01/04/2016	21,639	6,163,508	15,549	6,200,696
Additions	0	0	0	0
Revaluations	0	(308,000)	0	(308,000)
Disposals	0	0	0	0
	21,639	5,855,508	15,549	5,892,696
Depreciation				
At 01/04/2016	18,215	971,374	15,549	1,005,138
Charge in year	2,889	117,110	0	119,999
Revaluation	0	(13,923)	0	(13,923)
	21,104	1,074,561	15,549	1,111,214
Net Book value 31/3/2017	535	4,780,947	0	4,781,482
Net Book value 31/3/2016	3,424	5,192,134	0	5,195,558

The flats included under the property in 2016, were recalculated under FRS102 and are now shown as investment properties at cost with no revaluation.

8 Fixed Asset Investments

	Shares in group undertakings £'s
MARKET VALUE	
As at 1 April 2016	298
Additions	0
As at 31 March 2017	298
NET BOOK VALUE	
As at 31 March 2016	298
As at 31 March 2017	298

INVESTMENT PROPERTIES HELD £144,298 (2016- £308,000)

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31ST MARCH 2017

The company's investments at the balance sheet date in the share capital of companies include the following:

	Nature of business	Aggregate Capital and Reserves 31.03.17 £'s	Holding of shares Holding of shares £'s
Garrison House (Cumbrae) Ltd	provider of local amenities	98	98
Garrison Café (Millport) Ltd	café and catering services	100	100
Millport Holiday Apartments Ltd	provision of holiday accom	100	100
		298	298

9 Debtors: amounts falling due within one year

	Restricted Funds £'s	Unrestricted Funds £'s	2017 £'s	2016 £'s
Other Debtor	0	1,644	1,644	0
Amounts owed by group undertakings	0	100,172	100,172	129,541
Prepayments & Accrued income	0	0	0	1,728
Trade debtors	0	0	0	0
Vat	0	208	208	201
	0	102,024	102,024	131,470

10 Creditors: amounts falling due within one year

	Restricted Funds £'s	Unrestricted Funds £'s	2017 £'s	2016 £'s
Bank Loans and Overdrafts	0	28,849	28,849	36,199
Trade creditors	0	315	315	445
PAYE	0	888	888	833
VAT	0	0	0	0
Accruals and deferred income	0	2,500	2,500	1,334
Corporation tax	0	0	0	0
	0	32,552	32,552	38,811

CUMBRAE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31ST MARCH 2017

11 Creditors: amounts falling due after one year

	Restricted Funds £'s	Unrestricted Funds £'s	2017 £'s	2016 £'s
Bank Loans and Overdrafts	0	49,470	49,470	76,430
	0	49,470	49,470	76,430

12 Funds of the charity

	As at 1st April 2016 £'s	Income £'s	Expenses £'s	As at 31st March 2017 £'s
Total Funds	5,247,929	48,752	(318,056)	4,978,625
Represented by:				
Restricted Funds	5,228,188	0	(269,778)	4,958,410
Unrestricted Funds	19,741	48,752	(48,278)	20,215
Total Funds	5,247,929	48,752	(318,056)	4,978,625

Expenses includes adjustments for revaluation of assets

13 Reconciliation with Previously Accepted accounting practice

In preparing the accounts and applying the policies required by FRS102 and The Charities Sorp FRS102 The Trustees have considered if any restatement of comparative items are required. The only change to previous year accounts is that flats owned by the Charity have been classified as Fixed Asset Investments and as such are included at cost

The Sorp requires Garrison House to be valued by a suitably qualified person however, The Trustees have decided that it is an expense that can not be justified and the Assets will be carried at the original cost.

14, Related Party Transactions

There were no identifiable related party transactions of a material nature.