

REGISTERED COMPANY NUMBER: SC234200 (Scotland)
REGISTERED CHARITY NUMBER: SC033383

Cumrae Community Development Company
Report of the Trustees and
Audited Financial Statements for the Year Ended 31 March 2018

Cumbrae Community Development Company

Contents of the Financial Statements
for the Year Ended 31 March 2018

	Page
Report of the Trustees	1
Report of the Independent Auditors	7
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13
Detailed Statement of Financial Activities	24

Cumrae Community Development Company

Report of the Trustees **for the Year Ended 31 March 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The company is established solely for charitable purposes within the Island of Cumrae and its environs (the operating area) and in particular for the following purposes:

- To assist in the relief of poverty among residents of the Island of Cumrae by providing facilities for recreation within that area.
- To provide or assist in the provision within the operating area of facilities for recreation and other leisure time occupation available to the public at large with a view to improving their conditions of life.
- To promote for the public benefit the preservation of buildings and other structures of historic and/or architectural significance located within the operating area.
- To advance education among the residents of the operating area, particularly among young people and the unemployed.
- To relieve unemployment within the operating area for the public benefit in such ways as may be thought fit, including assistance to find employment.
- To provide or assist in the provision of housing for people in necessitous circumstances within the operating area.
- To promote and/or provide training in skills of all kinds, particularly such skills as will assist residents of the operating area in obtaining paid employment.
- To preserve, restore and improve the environment within the operating area through (i) protection and/or preservation of the natural environment and (ii) the provision, maintenance and/or improvement of public open space and other public amenities and other environmental and townscape regeneration projects, and in doing so, to seek wherever appropriate (but subject to appropriate safeguards to ensure that the public benefit so arising clearly outweighs any private benefit thereby conferred on private landowners) to carry out works of reclamation, remediation, restoration and other operations to facilitate the use for those purposes of land whose use has been prevented or restricted because of previous use.
- To relieve ill health and promote good health, particularly among residents of the operating area.
- To promote, establish, operate and/or support other schemes of a charitable nature for the benefit of the residents of the operating area.

Public benefit

The charity meets the definition of a public benefit entity under FRS 102.

Volunteers

In accordance with FRS 102 and Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in financial statements due to inaccurate measurement bases.

Cumbrae Community Development Company

Report of the Trustees for the Year Ended 31 March 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Chairperson's Report 2018

It is with great pleasure that I present my Chairperson's Report for 2017/18 and I must say, I have learnt a great deal this past year.

Cumbrae Community Development Company [CCDC] has a very tricky balancing act to perform on behalf of the wider community. In some respects we are landlords, managing the needs and requirements of our tenants. In others, we are tenants operating on short-term leases with North Ayrshire Council and all the while seeking fundraising and sponsorships for the management of our assets.

We announced great plans at last year's Annual General Meeting [AGM], to develop a new, energy efficient, multi-purpose community space/hall. This new meeting hall could accommodate the islands leisure activities and also create a much needed, large community events space, within Garrison House Grounds. These plans were embarked upon by CCDC who felt, after many discussions with North Ayrshire Council, that resurrecting the Millport Town Hall was not financially feasible.

Subsequently, Cumbrae Community Council [CCC] felt that efforts should be made to save the Town Hall and after lengthy discussions with CCC, we [CCDC], felt it right and proper that the concept to save the Town Hall be given due consideration. It is for this reason only, that our own plans to develop a multi-purpose community space were put on hold. This was to allow time for a feasibility study to be financed and to determine if the Town Hall could be saved.

The Board of Directors recognise the ongoing economic, social and political challenges that all third sector organisations continue to face and offered our full support to the 'Friends of the Town Hall' in their endeavours. Having taken on board the concepts created in the Master Plan, which were presented at last year's AGM. We continue to manage and try to improve the existing facilities within Garrison House and its estate.

We were delighted to be able to partner and assist in securing long term funding for the creation of Cumbrae Community Radio Station. We would like to commend the founders of this initiative and especially give warm thanks to North Ayrshire Voluntary Trust for its financial support.

Another success, is the community marquee. I would like to thank the Millport Festival Group Association for their kind donation of six extra bays worth a total of £18,000. This has enabled Garrison House to offer an even larger event space than in previous years.

We have hosted 32 events to date, this year. Which provides clear evidence that if we have the space created in a new hall or the revitalised Town Hall, Millport can attract and host large events. The Millport Scooter Rally keeps on growing from strength to strength. This year's event was the best organised ever and it was a real pleasure to host the rally and we hope that this will continue for many more years to come. We also played host to the Millport Country Music Festival in its 24th year since inception. This has grown into a first class event which we are honoured to play a small part in. Hosting the numerous artists who come to our island to perform and showcase their talents.

CCDC is also supportive of new events coming onto our Event Calendar. This year we hosted a very successful Welcome to Cumbrae Tourism Event which showcased all the very best that our island has to offer. We also played host to our first ever Happy Dayz Music Festival, which we are certain will also grow from modest beginnings to a first class event. This was our first festival event for 2018. Equally, the Classic Car Rally has grown over the past four years, into a real drawcard for the island and we are proud to be associated with this growing event. This year, at the same weekend, we also played host to the Crowning of the Cumbrae Queen, in its 55th year of celebration. An event which just gets better and better.

This brings me to the key objects of the development of CCDC as a community charitable body, which are to improve the life of islanders. There were ten main areas of development listed in the founding documents for CCDC and item 10, is of interest to us as we move forward, twenty years after our inception. Namely, 'To promote, establish, operate, and/or support other areas and schemes of charitable nature for the benefits of the residents of the operating area.'

This year, the Charity will embark on a new and very ambitious three year organisational strategy, which signifies the next step in our development. Just as our founding vision outlines, we will engage with our wider community and listen and learn firsthand as to which areas of island life we can support.

Cumrae Community Development Company

Report of the Trustees **for the Year Ended 31 March 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

CCDC manage the island's public toilets and this was achieved by taking ownership of the physical structures a part of an asset transfer with North Ayrshire Council. We have now operated these facilities for the past two visitor seasons, with a much clearer understanding of the costs associated with their management. I would like to thank everyone who has contributed to the success of the facilities. From the small donations of flowers and soaps, to our retailers helping us collect donations through our collection boxes and sponsors.

We are now embarking on a large, e-business campaign to ensure that we can raise even more funds from a wider public under a 'Just Giving' campaign. Which will be rolled out this winter.

Three years ago, CCDC also took over the management of the visitor moorings, with the financial support of North Ayrshire Council. For which we thank them for their ongoing support. Again from small beginnings, we have tried to help put Cumrae on the sailing map. We sincerely hope that North Ayrshire Council can fund this operation again next year. If so, we will again, manage the moorings on behalf of the sailing fraternity.

The summer season was particularly good for drawing many more visitors than in previous years to our island, which has helped Millport Holiday Apartments. Investment was made into updating our accommodation, putting in place an electronic booking system and improving the website.

This past year, has also required CCDC to introduce the General Data Protection Regulation (GDPR) which was the most important change in data privacy regulation in 20 years. CCDC are fully compliant, with the new EU regulations. I would like to offer my thanks to all who contributed to the success of this past year. To our Board of Directors, staff, and to our loyal volunteers, thank you.

Deborah Ferris
Chairperson

FINANCIAL REVIEW

Financial position

Annual Review of Activities

The financial statements show the overall position of the charity as at 31 March 2018, its incoming resources and the application of these resources for the year ended that date.

The charity continues to receive grant assistance from numerous major funders. These grants are used to operate the public toilet facilities on the island.

Income for the year totalled £121,355 (2017 £60,431) and total expenditure amounted to £194,001 (2017 £168,277). Before net gains/losses on investment, the total deficit for the year was £72,646 (2017 deficit £107,846).

Principal funding sources

The principal funding source of the charity has been grants awarded by a number of different agencies and profits from the trade of subsidiary companies.

Reserves policy

The capital represents accumulated funds arising from past operating results. The Trustees are satisfied that the level held is sufficient to meet all anticipated liabilities. The balance of reserves as at the year end is noted in the Balance Sheet.

Going concern

The incorporated charity has cash resources and has no requirement for external funding. The Trustees have a reasonable expectations that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accountancy appropriate in preparing the annual financial statements.

FUTURE PLANS

Please refer to the Chairperson's Report.

Cumrae Community Development Company

Report of the Trustees **for the Year Ended 31 March 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Cumrae Community Development Company is an incorporated charity, limited by guarantee. It was incorporated on 16 July 2002, registered in Scotland with company registration number SC234200. It was registered with OSCR as a Scottish charity number SC033383 on 16 July 2002. The incorporated charity was formed under a Memorandum of Association which established its objects and powers and is governed under its Articles of Association.

Recruitment and appointment of new trustees

The Board of Trustees are elected from its membership in accordance with the Articles of Association. The maximum number of directors shall be twelve, of whom a maximum of nine shall be Member Directors and a maximum of three shall be Appointed Directors.

At the annual general meeting, one third of the Member Directors shall retire from office. An individual who has served as an Appointed Director for a period of six years shall automatically vacate the office on enquiry of that six-year period and shall then not be eligible to serve as a director until a period of one year has elapsed.

Organisational structure

The management of the charity is the responsibility of the Trustees who are elected under the terms of the Articles of Association.

Induction and training of new trustees

The procedures for the induction and training of new Trustees are tailored to suit the knowledge and experience of the appointee.

Related parties

Cumrae Community Development Company is an incorporated charity which owns 100% share capital of three subsidiary limited companies. These companies are all registered in Scotland and their trading profits are donated to Cumrae Community Development Company's charitable objectives. The total amount donated for the year to 31 March 2018 was £24,336 (2017 £46,604).

Garrison House (Cumrae) Ltd - SC245437

Garrison Cafe (Millport) Limited - SC420566 - Company was dissolved on 2 October 2018

Millport Holiday Apartments Limited - SC420567

Risk management

The Trustees perform periodic risk assessments, identifying possible risks and reviewing the systems and procedures in place to mitigate them. Having performed this assessment, the Trustees are satisfied with the systems and procedures in place.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC234200 (Scotland)

Registered Charity number

SC033383

Registered office

West Lodge

Garrison House

2 Clifton Street

Millport

Ayrshire

KA28 0AZ

Cumbrae Community Development Company

Report of the Trustees
for the Year Ended 31 March 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

S Dobbin	- resigned 15.11.17
D Kerr	- resigned 21.8.18
D A Stevenson	
D Laidlaw	
D Williamson	
Ms D Ferris - Chairperson	- appointed 26.6.17
S Kennedy	- appointed 15.11.17
Ms B MacLachlan	- appointed 18.12.17
R Pringle	- appointed 26.6.17
J Taberner	- appointed 26.6.17
D Campbell	- appointed 15.11.17
	- resigned 5.3.18
Ms R McIntyre	- appointed 15.11.17
D McLachlan	- resigned 15.11.17
Ms B McKenzie	- appointed 26.6.17
	- resigned 15.11.17
Ms K Norton	- resigned 26.6.17
S Watson	- resigned 15.11.17
G Schreiber	- resigned 9.6.17
A D Hill	- resigned 15.11.17

Company Secretary

S R White

Senior Statutory Auditor

Alastair Stewart BA (Hons) CA

Auditors

Gillespie & Anderson
Statutory Auditors
Chartered Accountants
147 Bath Street
Glasgow
G2 4SN

Cumbræ Community Development Company

Report of the Trustees
for the Year Ended 31 March 2018

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Cumbræ Community Development Company for the purposes of company law) are responsible for preparing the Report of the Trustees 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 a 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Gillespie & Anderson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 2 November 2018 and signed on its behalf by:

Ms D Ferris - Chairperson - Trustee

**Report of the Independent Auditors to the Trustees and Members of
Cumbrae Community Development Company**

Opinion

We have audited the financial statements of Cumbrae Community Development Company (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

**Report of the Independent Auditors to the Trustees and Members of
Cumbrae Community Development Company**

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 Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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 trustees' 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Stewart BA (Hons) CA (Senior Statutory Auditor)
for and on behalf of Gillespie & Anderson
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
147 Bath Street
Glasgow
G2 4SN

2 November 2018

Cumbrae Community Development Company

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2018**

	Notes	Unrestricted funds £	Restricted fund £	2018 Total funds £	2017 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	44,086	-	44,086	47,079
Charitable activities	4				
Main charitable activities		71,355	2,914	74,269	10,352
Investment income	3	3,000	-	3,000	3,000
Total		<u>118,441</u>	<u>2,914</u>	<u>121,355</u>	<u>60,431</u>
 EXPENDITURE ON					
Charitable activities	5				
Main charitable activities		74,954	119,047	194,001	168,277
Total		<u>74,954</u>	<u>119,047</u>	<u>194,001</u>	<u>168,277</u>
Net gains/(losses) on investments		-	188,215	188,215	(149,779)
NET INCOME/(EXPENDITURE)		<u>43,487</u>	<u>72,082</u>	<u>115,569</u>	<u>(257,625)</u>
Transfers between funds	22	<u>51,178</u>	<u>(51,178)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>94,665</u>	<u>20,904</u>	<u>115,569</u>	<u>(257,625)</u>
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>33,989</u>	<u>4,956,315</u>	<u>4,990,304</u>	<u>5,247,929</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>128,654</u></u>	<u><u>4,977,219</u></u>	<u><u>5,105,873</u></u>	<u><u>4,990,304</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Cumrae Community Development Company (Registered number: SC234200)

**Balance Sheet
At 31 March 2018**

	Notes	Unrestricted funds £	Restricted fund £	2018 Total funds £	2017 Total funds as restated £
FIXED ASSETS					
Tangible assets	13	12,000	4,668,035	4,680,035	4,781,482
Investments					
Investments	14	-	298	298	298
Investment property	15	-	282,000	282,000	144,298
		<u>12,000</u>	<u>4,950,333</u>	<u>4,962,333</u>	<u>4,926,078</u>
CURRENT ASSETS					
Debtors	16	118,184	-	118,184	113,703
Cash at bank		56,727	28,142	84,869	32,545
		<u>174,911</u>	<u>28,142</u>	<u>203,053</u>	<u>146,248</u>
CREDITORS					
Amounts falling due within one year	17	(25,436)	(1,256)	(26,692)	(32,552)
NET CURRENT ASSETS		<u>149,475</u>	<u>26,886</u>	<u>176,361</u>	<u>113,696</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		161,475	4,977,219	5,138,694	5,039,774
CREDITORS					
Amounts falling due after more than one year	18	(32,821)	-	(32,821)	(49,470)
NET ASSETS		<u>128,654</u>	<u>4,977,219</u>	<u>5,105,873</u>	<u>4,990,304</u>
FUNDS	22				
Unrestricted funds				128,654	33,989
Restricted funds				4,977,219	4,956,315
TOTAL FUNDS				<u>5,105,873</u>	<u>4,990,304</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 2 November 2018 and were signed on its behalf by:

Ms D Ferris - Chairperson -Trustee

The notes form part of these financial statements

Cumbrae Community Development Company

Cash Flow Statement
for the Year Ended 31 March 2018

		2018	2017
	Notes	£	as restated £
Cash flows from operating activities:			
Cash generated from operations	1	60,139	58,586
Interest paid		(2,820)	(1,867)
		<u>57,319</u>	<u>56,719</u>
Net cash provided by (used in) operating activities			
Cash flows from investing activities:			
Purchase of tangible fixed assets		(18,938)	(24,536)
Sale of investment property		36,083	-
		<u>17,145</u>	<u>(24,536)</u>
Net cash provided by (used in) investing activities			
Cash flows from financing activities:			
Loan repayments in year		(22,140)	(35,482)
		<u>(22,140)</u>	<u>(35,482)</u>
Net cash provided by (used in) financing activities			
Change in cash and cash equivalents in the reporting period			
		52,324	(3,299)
Cash and cash equivalents at the beginning of the reporting period			
		<u>32,545</u>	<u>35,844</u>
Cash and cash equivalents at the end of the reporting period			
		<u><u>84,869</u></u>	<u><u>32,545</u></u>

The notes form part of these financial statements

Cumbrae Community Development Company

Notes to the Cash Flow Statement
for the Year Ended 31 March 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	as restated £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	115,569	(257,625)
Adjustments for:		
Depreciation charges	123,047	119,999
Gain on investments	(36,083)	-
Interest paid	2,820	1,867
(Increase)/decrease in debtors	(147,517)	229,453
Increase/(decrease) in creditors	2,303	(35,108)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	60,139	58,586
	<hr/> <hr/>	<hr/> <hr/>

Cumrae Community Development Company

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Presentation currency

The financial statements are presented in sterling which is the functional currency of the charity.

Going Concern

The charity has cash resources and has no requirement for external funding. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accountancy appropriate in preparing the annual financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The Trustees have made judgements, estimates and assumptions that affect the amounts reported within the financial statements during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The Trustees estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements are addressed and detail is provided in the associated notes.

Income

All income is recognised when the charity is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income.

Donations and legacies consists of donations, gifts in kind, grants and legacies. Donations and gifts in kind are recognised when the charity is entitled to the income, receipt of the income is probable and the amount can be measured reliably. Income from non-specific grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, the amount can be measured reliability and the income is not deferred. Legacy income is recognised when it is probable that it will be received.

Charitable activities income is received from specific grants received and rent received from Garrison House as part of the charitable activities of the charity. Grant income recognised is in respect of grants that specify the provision of particular services being provided by the charity in the form of maintaining the public toilets on the island and the moorings facilities. Such grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, the amount can be measured reliability and the income is not deferred. Rent received is in respect of the letting of non-investment property in furtherance of the charitable purposes.

Other trading activities income is received from the membership fees in respect of the moorings facilities.

Investment income consists of income received from the letting of investment property and the profits received from fixed asset investments in subsidiary companies.

Cumbrae Community Development Company

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

1. ACCOUNTING POLICIES - continued

Expenditure

Expenditure has been classified under the headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Expenditure is recognised on an accrual basis when a legal liability is incurred, payment of the liability is probable and the amount can be measured reliably. The amount excludes VAT as applicable.

Charitable activities comprise all resources expended undertaking work to meet the charity's charitable objectives. Such costs include the direct costs of charitable activities approved by the charity and all support costs relating to these activities. Governance costs include direct resources expended in the general running of the charity and are primarily associated with constitutional and statutory requirements. These costs are allocated entirely to charitable activities.

Allocation and apportionment of costs

Support costs are allocated wholly to charitable activities. Whilst the Trustees recognise that a small part of some items of expenditure included in support costs do relate to indirect governance costs, they are of the opinion that the time and costs involved in performing such an analysis outweigh the potential benefits arising from any such work.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

All tangible fixed assets having a value to the charity greater than one year are capitalised. It is the charity's policy to capitalise all relevant expenditure greater than £500.

Freehold property is initially measured at cost and is subsequently carried at cost less depreciation. The historical cost method has been adopted as a reliable market valuation is not possible due to the type of building to be valued. The carrying figure is reviewed with sufficient regularity.

Investment property

Investment properties are measured initially at cost and subsequently at fair value with any surplus or deficit on revaluation being taken to the Statement of Financial Activities.

Investment in subsidiaries

Investment in subsidiary undertakings is recognised at cost less impairment.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Funds are classified as either unrestricted funds or restricted funds, defined as follows:

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the Trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Trustees discretion to apply the funds.

Restricted fund is subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal process, but still within the wider objects of the charity.

Cumbræ Community Development Company

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

1. ACCOUNTING POLICIES - continued

Financial instruments

The charity has no complex financial instruments but does hold basic financial instruments of; cash at bank, debtors and creditors.

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. A bank overdraft would be shown within current liabilities.

Debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less losses for bad debts except where the effect of discounting would be immaterial. In such cases, debtors are stated at cost less losses for bad debts.

Creditors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate unless the effect of discounting would be immaterial. In such cases, creditors are stated at cost.

Provision for liabilities

A provision is initially recognised when there is an obligation at the balance sheet date as the result of a past event, it is probable that there will be the transfer of funds in settlement and the amount of the obligation can be estimated reliably. The provision is subsequently measured by placing a charge against the provision only for expenditure for which the provision was originally recognised.

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds as restated
	£	£	£	£
Donations	28,086	-	28,086	47,079
Donated services and facilities	16,000	-	16,000	-
	<u>44,086</u>	<u>-</u>	<u>44,086</u>	<u>47,079</u>

3. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds as restated
	£	£	£	£
Rents Investment Property	3,000	-	3,000	3,000
	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2018	2017 as restated
		£	£
Grants	Main charitable activities	71,414	-
Rent Garrison House	Main charitable activities	2,855	10,352
		<u>74,269</u>	<u>10,352</u>

Cumbræ Community Development Company

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

4. INCOME FROM CHARITABLE ACTIVITIES - continued

Grants received, included in the above, are as follows:

	2018	2017 as restated
	£	£
North Ayrshire Council	65,000	-
SSE	2,914	-
Kelburn Wind Farm	3,500	-
	<u>71,414</u>	<u>-</u>

5. CHARITABLE ACTIVITIES COSTS

	Support costs (See note 6)	Totals
	£	£
Main charitable activities	<u>194,001</u>	<u>194,001</u>

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Main charitable activities	<u>191,051</u>	<u>2,950</u>	<u>194,001</u>

Support costs, included in the above, are as follows:

Management

	2018 Main charitable activities	2017 Total activities as restated
	£	£
Admin costs	35,752	35,870
Rates and water	4,442	(107)
Insurance	550	548
Light and heat	4,109	2,133
Telephone	2,918	2,898
Postage and stationery	82	220
Advertising	125	60
Sundries	1,234	120
Repairs	2,908	271
Computer expenses	70	166
Cleaning	12,236	-
Travel	371	476
Subscriptions	296	298
Bank charges	91	81
Depreciation of tangible and heritage assets	123,047	119,999
Loan interest	2,820	1,867
	<u>191,051</u>	<u>164,900</u>

Cumbrae Community Development Company

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

6. SUPPORT COSTS - continued

Governance costs

	2018 Main charitable activities	2017 Total activities as restated
	£	£
Auditors' remuneration	2,450	3,000
Accountancy fees	500	-
Professional fees	-	377
	<u>2,950</u>	<u>3,377</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017 as restated
	£	£
Depreciation - owned assets	<u>123,046</u>	<u>119,999</u>

8. AUDITORS' REMUNERATION

	2018	2017 as restated
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>2,450</u>	<u>3,000</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017 .

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017 .

10. STAFF COSTS

During the current and prior years, the charity had no employment contracts in place. All administration services were provided by a subsidiary company and an appropriate administration cross charge was paid by the charity.

Cumbrae Community Development Company

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Total funds as restated
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	47,079	-	47,079
Charitable activities			
Main charitable activities	10,352	-	10,352
Investment income	3,000	-	3,000
Total	<u>60,431</u>	<u>-</u>	<u>60,431</u>
EXPENDITURE ON			
Charitable activities			
Main charitable activities	48,278	119,999	168,277
Total	<u>48,278</u>	<u>119,999</u>	<u>168,277</u>
Net gains/(losses) on investments	-	(149,779)	(149,779)
NET INCOME/(EXPENDITURE)	<u>12,153</u>	<u>(269,778)</u>	<u>(257,625)</u>
Transfers between funds	<u>2,095</u>	<u>(2,095)</u>	<u>-</u>
Net movement in funds	<u>14,248</u>	<u>(271,873)</u>	<u>(257,625)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>19,741</u>	<u>5,228,188</u>	<u>5,247,929</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>33,989</u></u>	<u><u>4,956,315</u></u>	<u><u>4,990,304</u></u>

12. PRIOR YEAR ADJUSTMENT

A prior year adjustment was made to the financial statements in the year to 31 March 2018 to correctly show the amount of donations paid from the subsidiary companies to the charity.

Cumbrae Community Development Company

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2017	5,855,508	21,639	15,549	5,892,696
Additions	-	21,599	-	21,599
Disposals	-	(19,513)	(15,549)	(35,062)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	5,855,508	23,725	-	5,879,233
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 April 2017	1,074,561	21,104	15,549	1,111,214
Charge for year	117,111	5,935	-	123,046
Eliminated on disposal	-	(19,513)	(15,549)	(35,062)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	1,191,672	7,526	-	1,199,198
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 March 2018	4,663,836	16,199	-	4,680,035
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	4,780,947	535	-	4,781,482
	<hr/>	<hr/>	<hr/>	<hr/>

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2017 and 31 March 2018	298
	<hr/>
NET BOOK VALUE	
At 31 March 2018	298
	<hr/>
At 31 March 2017	298
	<hr/>

There were no investment assets outside the UK.

Cumbræ Community Development Company

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

15. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 April 2017	144,298
Disposals	(14,430)
Revaluation	152,132
	<hr/>
At 31 March 2018	282,000
	<hr/> <hr/>
NET BOOK VALUE	
At 31 March 2018	282,000
	<hr/> <hr/>
At 31 March 2017	144,298
	<hr/> <hr/>

The investment properties have been stated at fair value in accordance with the professional valuations provided by Allied Surveyors Scotland plc in August 2018.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Amounts owed by group undertakings	82,307	111,851
Other debtors	35,000	1,644
VAT	656	208
Prepayments	221	-
	<hr/>	<hr/>
	118,184	113,703
	<hr/> <hr/>	<hr/> <hr/>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Other loans (see note 19)	19,430	28,849
Hire purchase (see note 20)	1,256	-
Accrued expenses	6,006	3,703
	<hr/>	<hr/>
	26,692	32,552
	<hr/> <hr/>	<hr/> <hr/>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017 as restated
	£	£
Other loans (see note 19)	32,821	49,470
	<hr/> <hr/>	<hr/> <hr/>

Cumbrae Community Development Company

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

19. LOANS

An analysis of the maturity of loans is given below:

	2018	2017 as restated
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>19,430</u>	<u>28,849</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>20,426</u>	<u>49,470</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>12,395</u>	<u>-</u>

20. LEASING AGREEMENTS

	Hire purchase contracts	
	2018	2017 as restated
	£	£
Net obligations repayable:		
Within one year	<u>1,256</u>	<u>-</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017 as restated
	£	£
Hire purchase contracts	<u>1,256</u>	<u>-</u>

Standard Security is held in favour of The Scottish Ministers granted 16 November 2006 over The Garrison, Millport.

Standard Security is held in favour of The Trustees of National Heritage Fund granted 6 November 2006 over The Garrison, Millport.

Standard Security is held by The Bank of Scotland granted 12 January 2006 over The Garrison, Millport.

Standard Security is held by Cumbrae Properties (1963) Limited granted 13 October 2005 over The Garrison, Millport.

Bond and Floating Charge held by The Bank of Scotland granted 18 March 2003 over all assets of the incorporated charity.

Standard Security over top floor flat, 8 Quayhead, Millport in favour of Bank of Scotland.

Standard Security over ground left flat, 4 Cardiff Street, Millport in favour of Bank of Scotland.

Cumbrae Community Development Company

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

22. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted funds				
General Fund	33,989	1,835	51,178	87,002
Public Toilets Fund	-	41,247	-	41,247
Moorings Fund	-	405	-	405
	<u>33,989</u>	<u>43,487</u>	<u>51,178</u>	<u>128,654</u>
Restricted funds				
Asset Fund	4,956,315	72,082	(51,178)	4,977,219
	<u>4,990,304</u>	<u>115,569</u>	<u>-</u>	<u>5,105,873</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	55,121	(53,286)	-	1,835
Public Toilets Fund	62,041	(20,794)	-	41,247
Moorings Fund	1,279	(874)	-	405
	<u>118,441</u>	<u>(74,954)</u>	<u>-</u>	<u>43,487</u>
Restricted funds				
Asset Fund	2,914	(119,047)	188,215	72,082
	<u>121,355</u>	<u>(194,001)</u>	<u>188,215</u>	<u>115,569</u>

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted Funds				
General Fund	19,741	12,153	2,095	33,989
Restricted Funds				
Asset Fund	5,228,188	(269,778)	(2,095)	4,956,315
	<u>5,247,929</u>	<u>(257,625)</u>	<u>-</u>	<u>4,990,304</u>

Cumrae Community Development Company

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

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	60,431	(48,278)	-	12,153
Restricted funds				
Asset Fund	-	(119,999)	(149,779)	(269,778)
TOTAL FUNDS	<u>60,431</u>	<u>(168,277)</u>	<u>(149,779)</u>	<u>(257,625)</u>

Unrestricted Fund

General fund represents funds to operate the core objectives of the charity.

Designated Funds

Public Toilets Fund is an unrestricted designated fund which represents the specific grant income received and associated expenditure incurred in maintaining the public toilets on the island.

Moorings Fund is an unrestricted designated fund which represents the income received and expenses incurred in the provision of the mooring facilities on the island.

Restricted Fund

Asset Fund represents all assets held by the charity in support of the charitable objectives.

23. RELATED PARTY DISCLOSURES

The incorporated charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

There were no donations made by Trustees during the year (2017 Nil).

24. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

25. GROUP ACCOUNTS

No group accounts have been prepared as the Trustees consider the incorporated charity to be part of a small sized group.

Cumbrae Community Development Company

Detailed Statement of Financial Activities
for the Year Ended 31 March 2018

	2018	2017
	£	as restated £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	28,086	47,079
Donated services and facilities	16,000	-
	<hr/>	<hr/>
	44,086	47,079
Investment income		
Rents Investment Property	3,000	3,000
Charitable activities		
Grants	71,414	-
Rent Garrison House	2,855	10,352
	<hr/>	<hr/>
	74,269	10,352
	<hr/>	<hr/>
Total incoming resources	121,355	60,431
EXPENDITURE		
Support costs		
Management		
Admin costs	35,752	35,870
Rates and water	4,442	(107)
Insurance	550	548
Light and heat	4,109	2,133
Telephone	2,918	2,898
Postage and stationery	82	220
Advertising	125	60
Sundries	1,234	120
Repairs	2,908	271
Computer expenses	70	166
Cleaning	12,236	-
Travel	371	476
Subscriptions	296	298
Bank charges	91	81
Freehold property	117,111	117,110
Fixtures and fittings	5,936	2,889
Loan interest	2,820	1,867
	<hr/>	<hr/>
	191,051	164,900
Governance costs		
Auditors' remuneration	2,450	3,000
Accountancy fees	500	-
Professional fees	-	377
	<hr/>	<hr/>
	2,950	3,377
	<hr/>	<hr/>
Total resources expended	194,001	168,277
	<hr/>	<hr/>
Net expenditure before gains and losses	(72,646)	(107,846)

This page does not form part of the statutory financial statements

Cumbrae Community Development Company

Detailed Statement of Financial Activities
for the Year Ended 31 March 2018

	2018	2017
	£	as restated £
Realised recognised gains and losses		
Realised gains/(losses) on investment property	36,083	-
Net expenditure	<u>(36,563)</u>	<u>(107,846)</u>

This page does not form part of the statutory financial statements