

REGISTERED COMPANY NUMBER: SC 96089 (Scotland)
REGISTERED CHARITY NUMBER: SC000299

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2012
FOR
DRUMCHAPEL COMMUNITY BUSINESS LIMITED**

WEDNESDAY



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COMPANIES HOUSE

V J Burgoyne & Co
Chartered Accountants & Statutory Auditor
52 Weymouth Drive
Glasgow
G120LX

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2012**

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DRUMCHAPEL COMMUNITY BUSINESS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

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 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC 96089 (Scotland)

Registered Charity number
SC000299

Registered office
42 Dalsetter Avenue
Drumchapel
Glasgow
G15 8LB

Trustees

J Oliver	
P Johnstone	
R Galbraith	
Mrs E Job	
D Taylor	- resigned 6.3.12
Mrs E Murchie	- resigned 6.3.12
Ms C O'Neill	
Mrs M Higgins	- deceased 6.3.12
Mrs M Nisbet	- resigned 6.3.12
Mrs I Brodie	
D Haining	- appointed 6.3.12
Mrs A Ainsworth	- appointed 6.3.12

Company Secretary
P Johnstone

Senior Statutory Auditor
Vincent Burgoyne

Auditors
V J Burgoyne & Co
Chartered Accountants & Statutory Auditor
52 Weymouth Drive
Glasgow
G12 0LX

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

Any person who wishes to become a trustee shall lodge with the organisation a written application, and that application will be put forward at the Annual General Meeting and be put to a vote of the membership.

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Induction and training of new trustees

The existing Trustees are already familiar with the practical work of the Charity and new Trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the Charity and the context within which it operates.

These are led by the manager and cover:

- The obligations of Management Committee members
- The main documents which set out the operational framework for the Charity
- Resourcing and the current financial position as set out in the latest published accounts
- Future plans and objectives

Organisational structure

The Trustees have delegated day to day management to the manager Liz Atkinson.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The company is established solely for charitable purposes mainly within the Drumchapel area of Glasgow and in particular for the following purposes: "The relief of poverty by the alleviation of unemployment principally for the poor residents of Drumchapel and to provide and assist in the provision of training opportunities for the said residents with a view to teaching particular skills which will assist such people in finding work".

Principal activities

The company is a charity and its principal activity is managing Business space facilities. By so doing the company aims to create sustainable jobs by developing and supporting community owned enterprises and small businesses. A recent analysis of employment on the site revealed a very satisfactory total workforce of 314 throughout the premises.

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Review of the Business and Future Developments

The Trustees are satisfied with the performance of the organisation during the year.

During the year ended 31 March 2012 occupancy rates within the Business Centre in the main remained at 100%, despite a number of units being given up over the year. Maximising occupancy was achieved due to the number of clients who were on the Waiting List. The combination of this relatively high occupancy rate for the majority of the trading year and the strong day-to-day management procedures ensured the company was able to minimise loss of rental income. Incoming new business benefited from the Business Support Grant enabling the Company to give a 25% rental subsidy to new business as well as business start up. Drumchapel Community Business meets any additional costs to this project.

In addition to our Business Support Grant provided through the Council's Integrated Grants we also received funding of £25,855 for our Community Environmental Therapy Project. In partnership with Enable Scotland and the Thomas Fortune Centre we provide a gardening service to local community projects throughout the West.

The company carried out further refurbishment to the existing facilities improving both the functionality of the buildings and the general appearance of the Business Centre. The existing Central Heating system for the Company was oil based but due to the extremely high increase in oil prices the Company has paid for Gas to come into the premises. During 2012/13 the Company will fit a full new Gas Central Heating and Boiler system thereby reducing overheads. This will also reduce the carbon emission as well as being more environmentally friendly.

Maintenance Works continued with a number of Units having their décor upgraded as well as necessary landlord Electrical Testing being carried out. The Company has to maintain its long term Maintenance Strategy to ensure the continuing stability of the business. This strategy will ensure the company has sufficient funds to meet the cost of maintaining the fabric of the Work Centre and its environs over the coming years.

Additional letting space was provided by extending space previously used as storage and increasing floor space in Units 26 - 28 as chargeable letting space.

The Company also recognises the need to update the general external image as well as the necessary internal modifications to compete with the more updated image of the adjacent Dalsetter Business Village

FINANCIAL REVIEW

Reserves policy

The Trustees aim to retain six months expenditure in reserves. Separate reserves are maintained where grants received for a specific purpose have not been fully utilised in the accounting period. In addition monies are set aside in a designated fund to cover major property repairs over the period of the lease.

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Drumchapel Community Business Limited 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, V J Burgoyne & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



P Johnstone - Secretary

24 August 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF DRUMCHAPEL COMMUNITY BUSINESS LIMITED

We have audited the financial statements of Drumchapel Community Business Limited for the year ended 31 March 2012 on pages seven to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with 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 members and 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.

Respective responsibilities of trustees and auditors

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.

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 in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 16 to the financial statements

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
DRUMCHAPEL COMMUNITY BUSINESS LIMITED**

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.



Vincent Burgoyne (Senior Statutory Auditor)
for and on behalf of V J Burgoyne & Co
Chartered Accountants & Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
52 Weymouth Drive
Glasgow
G12 0LX

24 August 2012

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	-	36,705	36,705	52,134
Investment income	3	1,157	1	1,158	3,486
Incoming resources from charitable activities					
Charitable Activities	4	186,224	-	186,224	180,760
Total incoming resources		187,381	36,706	224,087	236,380
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	5	-	40,359	40,359	59,582
Charitable activities					
Charitable Activities	6	164,895	54,900	219,795	230,078
Governance costs	7	33,719	-	33,719	33,336
Total resources expended		198,614	95,259	293,873	322,996
NET INCOMING/(OUTGOING) RESOURCES					
		(11,233)	(58,553)	(69,786)	(86,616)
RECONCILIATION OF FUNDS					
Total funds brought forward		257,486	697,824	955,310	1,041,926
TOTAL FUNDS CARRIED FORWARD		246,253	639,271	885,524	955,310

The notes form part of these financial statements

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

**BALANCE SHEET
AT 31 MARCH 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
FIXED ASSETS					
Tangible assets	11	107,690	638,405	746,095	815,770
CURRENT ASSETS					
Debtors	12	38,824	-	38,824	36,688
Cash at bank and in hand		157,217	866	158,083	171,334
		<u>196,041</u>	<u>866</u>	<u>196,907</u>	<u>208,022</u>
CREDITORS					
Amounts falling due within one year	13	(57,478)	-	(57,478)	(68,482)
NET CURRENT ASSETS		<u>138,563</u>	<u>866</u>	<u>139,429</u>	<u>139,540</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>246,253</u>	<u>-639,271</u>	<u>885,524</u>	<u>955,310</u>
NET ASSETS		<u>246,253</u>	<u>639,271</u>	<u>885,524</u>	<u>955,310</u>
FUNDS	14				
Unrestricted funds				246,253	257,486
Restricted funds				639,271	697,824
TOTAL FUNDS				<u>885,524</u>	<u>955,310</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 24 August 2012 and were signed on its behalf by:



J Oliver -Trustee



Mrs I Brodie -Trustee

The notes form part of these financial statements

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Accounting convention

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

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 resources.

Tangible fixed assets

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

Land and buildings	- in accordance with the property
Plant and machinery etc	- 10% on cost

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. VOLUNTARY INCOME

	2012 £	2011 £
Gifts	-	(1)
Revenue Grants - Seedcorn	10,850	26,280
Environmental Therapy Costs - GCC	25,855	25,855
	<u>36,705</u>	<u>52,134</u>

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

	2012 £	2011 £
Other grants	<u>10,850</u>	<u>26,280</u>

3. INVESTMENT INCOME

	2012 £	2011 £
Bank Interest	<u>1,158</u>	<u>3,486</u>

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2012 £	2011 £
Membership fees & other income	Charitable Activities	993	936
Rental of units	Charitable Activities	185,231	174,157
Refurbishment costs	Charitable Activities	-	5,667
		<u>186,224</u>	<u>180,760</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	2012 £	2011 £
Seedcorn	13,949	33,005
Community Environmental Therapy -GCC	26,410	26,577
	<u>40,359</u>	<u>59,582</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Totals £
Charitable Activities	<u>219,795</u>	<u>219,795</u>

7. GOVERNANCE COSTS

	2012 £	2011 £
Consultant fees	31,419	29,736
Legal fees	-	1,600
Auditors' remuneration	2,300	2,000
	<u>33,719</u>	<u>33,336</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2012 £	2011 £
Auditors' remuneration	2,300	2,000
Depreciation - owned assets	<u>69,675</u>	<u>68,987</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2012 nor for the year ended 31 March 2011.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2012 nor for the year ended 31 March 2011.

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

10. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	40,604	37,720
Social security costs	3,653	3,363
	<u>44,257</u>	<u>41,083</u>

11. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2011 and 31 March 2012	<u>1,702,166</u>	<u>69,769</u>	<u>1,771,935</u>
DEPRECIATION			
At 1 April 2011	887,137	69,028	956,165
Charge for year	68,934	741	69,675
At 31 March 2012	<u>956,071</u>	<u>69,769</u>	<u>1,025,840</u>
NET BOOK VALUE			
At 31 March 2012	<u>746,095</u>	<u>-</u>	<u>746,095</u>
At 31 March 2011	<u>815,029</u>	<u>741</u>	<u>815,770</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	20,158	14,039
Other debtors	18,666	22,649
	<u>38,824</u>	<u>36,688</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	12,349	22,426
Taxation and social security	6,643	3,321
Other creditors	38,486	42,735
	<u>57,478</u>	<u>68,482</u>

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

14. MOVEMENT IN FUNDS

	At 1.4.11 £	Net movement in funds £	At 31.3.12 £
Unrestricted funds			
General fund	25,459	(9,873)	15,586
Designated revenue funds	232,027	(1,360)	230,667
	<u>257,486</u>	<u>(11,233)</u>	<u>246,253</u>
Restricted funds			
Restricted	4,519	(3,653)	866
Capital funds	693,305	(54,900)	638,405
	<u>697,824</u>	<u>(58,553)</u>	<u>639,271</u>
TOTAL FUNDS	<u><u>955,310</u></u>	<u><u>(69,786)</u></u>	<u><u>885,524</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	187,381	(197,254)	(9,873)
Designated revenue funds	-	(1,360)	(1,360)
	<u>187,381</u>	<u>(198,614)</u>	<u>(11,233)</u>
Restricted funds			
Restricted	36,706	(40,359)	(3,653)
Capital funds	-	(54,900)	(54,900)
	<u>36,706</u>	<u>(95,259)</u>	<u>(58,553)</u>
TOTAL FUNDS	<u><u>224,087</u></u>	<u><u>(293,873)</u></u>	<u><u>(69,786)</u></u>

15. CONTINGENT LIABILITIES

The Trustees of the company have agreed to contribute, by way of grants, to the trading activities of Drumchapel Community Enterprises Limited (DCEL) to assist DCEL during a difficult period. Due to this support DCEL has traded at a small profit for the last nine years maintaining on average 3 jobs over the period. The Trustees have committed to continue this support, if necessary and where practical, over the next year. The requirement for this support is being monitored on a regular basis by the Trustees. In the year DCEL repaid £ 994 in grants to the company (2011 £4,453).

16. 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.

DRUMCHAPEL COMMUNITY BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

17. FUTURE FINANCIAL REVIEW

The Trustees of the company shall continue to consider budget options and exercise prudent financial management.

Taking account of all known circumstances, the Trustees are of the opinion that the financial position of the organisation will remain secure as long as occupancy rates remain high.