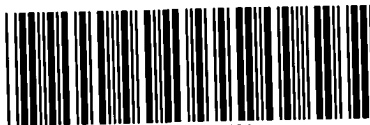


REGISTERED COMPANY NUMBER: SC258621 (Scotland)  
REGISTERED CHARITY NUMBER: SC011968

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016  
FOR  
THE ZONE INITIATIVE LTD**

WEDNESDAY



\*S5LTBZY0\*

SCT

14/12/2016

#456

COMPANIES HOUSE

Stewart Gilmour & Co.,  
Chartered Accountants  
24 Beresford Terrace  
Ayr  
KA7 2EG

**THE ZONE INITIATIVE LTD**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

|                                            | Page     |
|--------------------------------------------|----------|
| Report of the Trustees                     | 1 to 6   |
| Report of the Independent Auditors         | 7 to 8   |
| Statement of Financial Activities          | 9        |
| Balance Sheet                              | 10 to 11 |
| Notes to the Financial Statements          | 12 to 17 |
| Detailed Statement of Financial Activities | 18 to 19 |

## **THE ZONE INITIATIVE LTD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016**

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 2016. 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**  
SC258621 (Scotland)

**Registered Charity number**  
SC011968

**Registered office**  
Dalcairney Road  
Bellsbank  
Dalmellington  
Ayrshire  
KA6 7SZ

**Trustees**  
Mrs M Johnstone  
Mrs I Rowan  
L Orr  
Mrs J Orr  
Mrs J Sloan  
Miss M Lees  
Miss C Nesbit  
D Grover  
J Smith

The charity's trustees (directors) are referred to within the company as its executive committee.

**Company Secretary**  
Ms M McCabe

**Auditors**  
Stewart Gilmour & Co.,  
Chartered Accountants  
24 Beresford Terrace  
Ayr  
KA7 2EG

**Solicitors**  
Frazer Coogans  
46 Dalblair Road  
Ayr  
KA7 1UQ

**Non voting advisors to executive committee**  
Mrs E Stewart  
Mrs R Eccles

**Project manager**  
Mrs E Stewart

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The Zone Initiative (formerly known as Bellsbank Adventure Playground) was incorporated on 3rd November 2003. Its governing document is its Memorandum and Articles of Association. The company is limited by guarantee and does not have a share capital. In any winding up the liability of individual members is limited to £1. .

## **THE ZONE INITIATIVE LTD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Recruitment and appointment of new trustees**

New Executive Committee members are recruited primarily from the local community without discrimination on the grounds of age, gender, religion, disability, sexual orientation or ethnic origin, appointment being at the discretion of the Executive Committee. They are always prepared to consider suitable individuals from the community who are sympathetic to the company's aims and objectives and who might prove to be valuable Committee members.

##### **Induction and training of new trustees**

The organisation's Executive Committee (Directors) are responsible for overseeing the charitable company's affairs and directing staff.

Most new Executive Committee members will already be familiar with the purpose of the company when they join and learn more about its workings from other Committee members and from attendance at regular meetings.

##### **Organisational structure**

To ensure the smooth running of the organisation, regular Executive Committee meetings are held involving input from the Committee members and the non voting advisors. On a day-to-day basis, the organisation's activities are run by the project manager, the youth work co-ordinator, the office administrator and other staff.

##### **Wider network**

The company liaises and interacts with other organisations and individuals where this is of general benefit to the local community.

##### **Related parties**

During the year project manager Elaine Stewart gave a personal loan of £10,000 to the company, this loan was approved by the Executive Committee and has since been repaid in full and has been disclosed in the notes to the financial accounts. There were no reportable financial transactions between the company and any of the Executive Committee members, or any related parties of the Executive Committee members, during the year ended 31st March 2016. Any such transactions require to be transparent, approved by the Executive Committee and conducted on an arm's length basis.

##### **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.

Risks identified by the Executive Committee outwith those covered by insurance related mainly to funding being available to finance the ongoing costs of running the company's operations. During the year the Executive Committee attempted to ensure that sufficient funds were available to meet this requirement. They also have management controls in place which aim to minimise the risk of fraud or error occurring.

## **THE ZONE INITIATIVE LTD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016**

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

##### Values, principles and objectives

The Zone Initiative employs team members with the behavioural traits that best match the organisation's values and beliefs. Following are our values, vision and mission statement together with our overall key aims and objectives.

##### **- Vision**

To improve quality of life for the young people of the Doon Valley area.

##### **- Mission**

To provide facilities for play, recreation and other leisure time occupation for young people in the Doon Valley area which will improve the conditions of life for such people by promoting their physical, spiritual and mental wellbeing.

##### **- Values**

We at The Zone Initiative believe that we should participate in all forms of community activity which can make a difference to our local community and we should strive to:-

1. Have unconditional positive regard for all service users, potential users and team members.
2. Make no discrimination with regard to nationality, race, religious beliefs, disability, or class.
3. Value and respect the service users that access our services.
4. Value and respect our volunteers.
5. Train and develop team members and volunteers so that they can provide a quality service for our service users.
6. Promote and strengthen community spirit in the Doon Valley.
7. Listen to the needs of the local community and to bridge gaps where possible.
8. Show care and compassion for the community.
9. Work to best practice procedures.

##### **- Aims and objectives**

To improve the physical, spiritual and mental well being of the young people of the Doon Valley through the provision of play and recreation facilities. In achieving these goals, the organisation aims to:-

1. Promote and develop the public appreciation of the short and long term values of children's play and towards improving the conditions of life for young people in the area.
2. Examine, co-ordinate and expand the resources devoted to the provision of children's play facilities in the area.
3. Carry on any other activities which further any of the above objects.
4. Provide a forum in the community where interested individuals, professionals, statutory bodies, commercial bodies, voluntary organisations, charitable organisations and other bodies can meet and co-operate in the development of services for achieving the above objectives.

##### **-How our values are communicated and applied within our organisation**

1. A training and development budget forms part of every funding bid to develop team members on a personal level and increase their work related skills.
2. Clear directed personnel specifications are drawn up for all team member vacancies. Key areas that we look at are soft skills, life experience and personality traits to meet the demands of the post.
3. Take up references and carry out an enhanced disclosure check on our team members and volunteers.
4. Adhere to our equal opportunities policy when recruiting team members.
5. Include team members in decision making and involvement in team meetings and goal setting.
6. Offer support and supervision to all team members.

##### **Significant activities**

The company's principal activity during the year was the provision of facilities for play and recreation and social activities for the young people of the Doon Valley in East Ayrshire. In addition the company is working with the elderly and/or disabled people of the community through their Home Buddy project funded by Reshaping the Elderly.

##### **Volunteers**

The company is indebted to the many volunteers who help the organisation meet its objectives by carrying out various tasks and duties.

## **THE ZONE INITIATIVE LTD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

The Zone Initiative Ltd (and the preceding voluntary Organisation) was established in 1985 by a local community steering group that was to establish an adventure playground in the local community due to lack of facilities at the time. The Zone Initiative's overall vision is to improve quality of life for the children, young people and the community of the East Ayrshire area. The organisation aims to improve the quality of life of East Ayrshire residents by providing a range of services from out of school care, youth work, educational play and recreational activities to improve peoples physical, spiritual and mental well being by providing opportunities for training and employment in the area.

By providing a tailored approach to individuals needs the organisation hopes to increase people's self esteem, outlook and improve their potential for employment and training. In addition the organisation is developing intergenerational work where young people work with the elderly and/or disabled people within the community with a view to keeping them active and living in the home by providing services such as grass cutting, garden maintenance and DIY jobs within their homes.

The organisation provides the following services:

- Out of School Care
- Youth Services across the Doon Valley area
- SVQ Training
- Education partnership with local Academy
- Home Buddies & Garden Maintenance
- Family Buddies
- Employability services for young people
- Food bank distributor
- Dalmellington Community Allotment Project

Over the last year the organisation has continued to fulfil its commitment to the Doon Valley and have been able to diversify into new areas of work.

The organisation has successfully implemented, through funding from Scottish Government, a fully functional digital suite with a range of new IT products that has been used by local businesses and social enterprises to develop their own websites. This suite is also open to the general public every day and has been busy with clients that require training on how to navigate the internet and who need access to WI-FI.

##### **Internal and external factors**

Internally, the charitable company is dependent on a good relationship between the Executive Committee, staff and the volunteers that help to ensure that it can successfully carry out its activities.

The main external factor affecting the organisation's operations is ensuring that the young people of the Doon Valley make use of the facilities and social opportunities that are available to them.

The Executive Committee are happy to report that there are currently no adverse internal or external factors affecting the organisation's operations.

#### **FINANCIAL REVIEW**

##### **Reserves policy**

The Executive Committee have assessed the level of free reserves (i.e. those funds not tied up in fixed assets and designated and restricted funds) that the company requires to sustain its operations and are aware they are dependant on the ongoing successful award of grants for the continued successful operation of its charitable activities. Whilst the Executive Committee acknowledge reserves are only 10% of total incoming resources they would not commit to any expenditure until grant funding was guaranteed.

##### **Principal funding sources**

Principal funding to meet the costs of operating the organisation came from East Ayrshire Council, the Scottish Government, Big Lottery, BBC Children in Need and Keep Scotland Beautiful.

The Executive Committee would like to express their thanks to all the organisations which provided funding to the company during the year.

## **THE ZONE INITIATIVE LTD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016**

#### **FINANCIAL REVIEW**

##### **Review of the year's results**

The financial statements for the year to 31st March 2016 reflect a successful year of operation for The Zone Initiative Ltd.

Total incoming resources for 2016 amounted to £465,099. (2015 - £529,708). Resources expended totalled £448,293. (2015 - £515,469). The net incoming resources for 2016 were £16,806. (2015 £14,239).

At 31st March 2016, the organisation had total funds of £70,298 (2015 - £53,492) of which £42,181 were unrestricted and £28,117 were restricted.

The Executive Committee consider the results for the year to be satisfactory. The Committee are aware they are dependant on the ongoing successful award of grants for the continued successful operation of its charitable activities.

#### **FUTURE DEVELOPMENTS**

Developing services for children and young people remain the core services of the Organisation, together with the provision of more intergenerational services to older people in a bid to tackle rural isolation and provide social activities for over 60s in the Doon Valley area.

In July 2016 the organisation developed a business plan that would allow the project to take over the Post Office Local with two outreach services, one in Bellsbank and the other in Carsphairn. In October 2016 it was announced The Zone Initiative was the successful candidate and that it will open the door of the Post Office Local as a social enterprise in January 2017.

The organisation has also obtained funding for 10 modern apprenticeships, 2 of which will concentrate on working within the Post office.

BBC Children in Need continue to support the project and have committed to support the staffing at Bellsbank Adventure Playground for the next three years whilst Cash Back for Communities have provided £100,000 funding towards a new play park and multi purpose play area which will be installed in early 2017.

East Ayrshire Council continue their valued support of The Zone Initiative in their youth work and childcare.

#### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of The Zone Initiative Ltd 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.

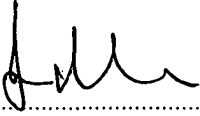
#### **AUDITORS**

The auditors, Stewart Gilmour & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

**THE ZONE INITIATIVE LTD**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

Approved by order of the board of trustees on Monday 28<sup>th</sup> Nov 2016 and signed on its behalf by:



.....  
Mrs I Rowan - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF THE ZONE INITIATIVE LTD**

We have audited the financial statements of The Zone Initiative Ltd for the year ended 31 March 2016 on pages nine to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (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 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 set out on page five, 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.

### **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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 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 applicable to Smaller Entities; 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  
THE ZONE INITIATIVE LTD**

**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 from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

*Sheila L. Tannock C.A.*

Sheila L. Tannock, B.Sc., C.A. (Senior Statutory Auditor)

for and on behalf of Stewart Gilmour & Co.,

Chartered Accountants

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

24 Beresford Terrace

Ayr

KA7 2EG

Date: 2<sup>nd</sup> December 2016

**THE ZONE INITIATIVE LTD**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2016**

|                                               |           | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2016<br>funds<br>£ | Total<br>2015<br>funds<br>£ |
|-----------------------------------------------|-----------|----------------------------|--------------------------|-----------------------------|-----------------------------|
|                                               | Not<br>es |                            |                          |                             |                             |
| <b>INCOMING RESOURCES</b>                     |           |                            |                          |                             |                             |
| Incoming resources from charitable activities | 2         |                            |                          |                             |                             |
| Charitable operations                         |           | 125,963                    | 339,136                  | 465,099                     | 529,708                     |
| <b>RESOURCES EXPENDED</b>                     |           |                            |                          |                             |                             |
| Charitable activities                         | 3         |                            |                          |                             |                             |
| Charitable operations                         |           | 102,186                    | 341,442                  | 443,628                     | 510,413                     |
| Governance costs                              | 6         | 2,200                      | -                        | 2,200                       | 2,615                       |
| Other resources expended                      |           | <u>2,465</u>               | <u>-</u>                 | <u>2,465</u>                | <u>2,441</u>                |
| Total resources expended                      |           | <u>106,851</u>             | <u>341,442</u>           | <u>448,293</u>              | <u>515,469</u>              |
| <b>NET INCOMING/(OUTGOING)<br/>RESOURCES</b>  |           |                            |                          |                             |                             |
|                                               |           | 19,112                     | (2,306)                  | 16,806                      | 14,239                      |
| <b>RECONCILIATION OF FUNDS</b>                |           |                            |                          |                             |                             |
| Total funds brought forward                   |           | <u>23,069</u>              | <u>30,423</u>            | <u>53,492</u>               | <u>39,253</u>               |
| <b>TOTAL FUNDS CARRIED FORWARD</b>            |           | <u><u>42,181</u></u>       | <u><u>28,117</u></u>     | <u><u>70,298</u></u>        | <u><u>53,492</u></u>        |

The notes form part of these financial statements

**THE ZONE INITIATIVE LTD**

**BALANCE SHEET  
AT 31 MARCH 2016**

|                                              |       | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2016<br>funds<br>£ | Total<br>2015<br>funds<br>£ |
|----------------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
|                                              | Notes |                            |                          |                             |                             |
| <b>FIXED ASSETS</b>                          |       |                            |                          |                             |                             |
| Tangible assets                              | 10    | 27,192                     | -                        | 27,192                      | 29,157                      |
| <b>CURRENT ASSETS</b>                        |       |                            |                          |                             |                             |
| Debtors                                      | 11    | 85                         | 1,500                    | 1,585                       | 33,952                      |
| Cash at bank and in hand                     |       | <u>58,246</u>              | <u>55,030</u>            | <u>113,276</u>              | <u>33,323</u>               |
|                                              |       | 58,331                     | 56,530                   | 114,861                     | 67,275                      |
| <b>CREDITORS</b>                             |       |                            |                          |                             |                             |
| Amounts falling due within one year          | 12    | (43,342)                   | (28,413)                 | (71,755)                    | (42,940)                    |
| <b>NET CURRENT ASSETS</b>                    |       | <u>14,989</u>              | <u>28,117</u>            | <u>43,106</u>               | <u>24,335</u>               |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>42,181</u>              | <u>28,117</u>            | <u>70,298</u>               | <u>53,492</u>               |
| <b>NET ASSETS</b>                            |       | <u>42,181</u>              | <u>28,117</u>            | <u>70,298</u>               | <u>53,492</u>               |
| <b>FUNDS</b>                                 | 13    |                            |                          |                             |                             |
| Unrestricted funds:                          |       |                            |                          |                             |                             |
| General fund                                 |       |                            |                          | 30,376                      | 23,069                      |
| Reshaping Communities                        |       |                            |                          | <u>11,808</u>               | -                           |
|                                              |       |                            |                          | 42,184                      | 23,069                      |
| Restricted funds:                            |       |                            |                          |                             |                             |
| Lottery                                      |       |                            |                          | 3,689                       | 4,180                       |
| Fairer Scotland                              |       |                            |                          | -                           | 1,974                       |
| Scottish Council for Voluntary Organisations |       |                            |                          | 56                          | -                           |
| East Ayrshire Council - Pre 5s               |       |                            |                          | 262                         | -                           |
| Reshaping Communities                        |       |                            |                          | -                           | 10,143                      |
| People & Communities                         |       |                            |                          | 614                         | 2,253                       |
| EAC - young apprentices                      |       |                            |                          | 1,754                       | -                           |
| Inspiring Scotland                           |       |                            |                          | -                           | 8,271                       |
| EAC - European Structural Fund P5            |       |                            |                          | 10,457                      | 3,602                       |
| Keep Scotland Beautiful                      |       |                            |                          | 559                         | -                           |
| Youth link fund                              |       |                            |                          | 1,211                       | -                           |
| Gannochy trust                               |       |                            |                          | 4,512                       | -                           |
| Santander Youth Work                         |       |                            |                          | <u>5,000</u>                | -                           |
|                                              |       |                            |                          | <u>28,114</u>               | <u>30,423</u>               |
| <b>TOTAL FUNDS</b>                           |       |                            |                          | <u>70,298</u>               | <u>53,492</u>               |

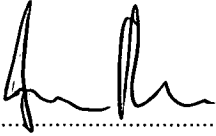
The notes form part of these financial statements

**THE ZONE INITIATIVE LTD**

**BALANCE SHEET - CONTINUED**  
**AT 31 MARCH 2016**

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 January 2015).

The financial statements were approved by the Board of Trustees on Mar 28<sup>th</sup> Nov 2016 and were signed on its behalf by:



.....  
Mrs I Rowan -Trustee

## **THE ZONE INITIATIVE LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

#### **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.

##### **Allocation and apportionment of costs**

##### **Tangible fixed assets**

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

|                          |                           |
|--------------------------|---------------------------|
| Improvements to property | - 4% on cost              |
| Fixtures and fittings    | - 25% on reducing balance |

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities. The company is not registered for Value Added Tax.

##### **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.

##### **Format of the financial statements**

The financial statements have been adapted from the format prescribed in the Companies Act 2006 due to the special nature of the company's business in order to comply with the requirement to give a true and fair view, as permitted by section 396 paragraph 5 of the Companies Act 2006.

**THE ZONE INITIATIVE LTD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2016**

**2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

|                                |                       | 2016           | 2015           |
|--------------------------------|-----------------------|----------------|----------------|
|                                | Activity              | £              | £              |
| Training fees                  | Charitable operations | 11,049         | 39,547         |
| Registrations                  | Charitable operations | 8,792          | 3,953          |
| Grass Cutting                  | Charitable operations | 5,812          | 8,651          |
| Local donations                | Charitable operations | 1,194          | 3,060          |
| Grants - Big lottery fund      | Charitable operations | 24,500         | 30,000         |
| Grants - Youth link fund       | Charitable operations | 1,500          | -              |
| Grants - Fairer Scotland       | Charitable operations | -              | 63,900         |
| Grants - Working links         | Charitable operations | -              | 1,138          |
| Grants - SCVO                  | Charitable operations | 10,451         | 3,352          |
| Grants - EAC - pre 5s          | Charitable operations | 2,800          | 3,950          |
| Grants - EAC                   | Charitable operations | 1,400          | -              |
| Grants - Reshaping Communities | Charitable operations | 97,716         | 59,669         |
| Grants - Peoples Postcode      | Charitable operations | -              | 3,000          |
| Grants - People & Communities  | Charitable operations | 63,565         | 75,100         |
| Grants - EAC young apprentices | Charitable operations | 56,755         | 9,093          |
| Grants - Inspiring Scotland    | Charitable operations | -              | 67,500         |
| Grants - Children In Need      | Charitable operations | 20,000         | 20,000         |
| Grants - EAC - ESF P5          | Charitable operations | 53,331         | 27,004         |
| Grants - Keep Scot Beautiful   | Charitable operations | 19,052         | 8,136          |
| Grants - Family Buddies        | Charitable operations | 49,432         | 72,308         |
| Grants - gardening             | Charitable operations | 3,000          | 15,897         |
| Grants - Young Starts          | Charitable operations | -              | 14,450         |
| Grants - Gannochy Trust        | Charitable operations | 10,000         | -              |
| Grants- Scottish Government    | Charitable operations | 19,750         | -              |
| Grants - Santander youth work  | Charitable operations | 5,000          | -              |
|                                |                       | <u>465,099</u> | <u>529,708</u> |

**3. CHARITABLE ACTIVITIES COSTS**

|                       | Direct costs<br>(See note 4) | Support costs<br>(See note 5) | Totals         |
|-----------------------|------------------------------|-------------------------------|----------------|
|                       | £                            | £                             | £              |
| Charitable operations | <u>442,220</u>               | <u>1,408</u>                  | <u>443,628</u> |

**THE ZONE INITIATIVE LTD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2016**

**4. DIRECT COSTS OF CHARITABLE ACTIVITIES**

|                                | 2016           | 2015           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Staff costs                    | 351,380        | 390,629        |
| Rent, rates and insurance      | 10,196         | 7,163          |
| Repairs and renewals           | 11,651         | 21,209         |
| Light and heat                 | 4,692          | 5,065          |
| Telephone                      | 1,737          | 2,098          |
| Postage, stationery & advert   | 1,753          | 1,330          |
| Wages - work schemes           | -              | 22,064         |
| Sundries                       | 653            | 1,935          |
| Training expenses              | 3,801          | 3,897          |
| Travel expenses                | 24,706         | 28,729         |
| Curriculum costs               | 8,006          | 5,698          |
| Hire of equipment              | 1,632          | 1,224          |
| Protective clothing            | -              | 25             |
| Subscriptions                  | 340            | 471            |
| Purchase of equipment          | 18,236         | 9,365          |
| Eco tunnel and allotment costs | 2,230          | 3,300          |
| Home and Family buddies costs  | 1,207          | 4,496          |
|                                | <u>442,220</u> | <u>508,698</u> |

**5. SUPPORT COSTS**

|                       | Finance      |
|-----------------------|--------------|
|                       | £            |
| Charitable operations | <u>1,408</u> |

**6. GOVERNANCE COSTS**

|                        | 2016         | 2015         |
|------------------------|--------------|--------------|
|                        | £            | £            |
| Auditors' remuneration | <u>2,200</u> | <u>2,615</u> |

**7. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

|                                    | 2016      | 2015     |
|------------------------------------|-----------|----------|
|                                    | £         | £        |
| Auditors' remuneration             | 2,200     | 2,615    |
| Depreciation - owned assets        | 2,378     | 2,441    |
| Deficit on disposal of fixed asset | <u>87</u> | <u>-</u> |

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2016 nor for the year ended 31 March 2015.

**THE ZONE INITIATIVE LTD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2016**

**9. STAFF COSTS**

|                      | 2016           | 2015           |
|----------------------|----------------|----------------|
|                      | £              | £              |
| Wages                | 334,529        | 392,094        |
| Social security cost | 16,849         | 20,599         |
|                      | <u>351,378</u> | <u>412,693</u> |

The company had no employees who were paid at a rate in excess of £60,000 per annum the year (2015: nil).

The average number of permanent employees during the year was as follows:-

|                               | 2016      | 2015      |
|-------------------------------|-----------|-----------|
| Management and administration | 5         | 4         |
| Program staff                 | 27        | 22        |
|                               | <u>32</u> | <u>26</u> |

**10. TANGIBLE FIXED ASSETS**

|                        | Improvement<br>s to property<br>£ | Fixtures and<br>fittings<br>£ | Totals<br>£    |
|------------------------|-----------------------------------|-------------------------------|----------------|
| <b>COST</b>            |                                   |                               |                |
| At 1 April 2015        | 44,104                            | 35,746                        | 79,850         |
| Additions              | -                                 | 500                           | 500            |
| Disposals              | <u>-</u>                          | <u>(1,838)</u>                | <u>(1,838)</u> |
| At 31 March 2016       | <u>44,104</u>                     | <u>34,408</u>                 | <u>78,512</u>  |
| <b>DEPRECIATION</b>    |                                   |                               |                |
| At 1 April 2015        | 16,980                            | 33,713                        | 50,693         |
| Charge for year        | 1,764                             | 614                           | 2,378          |
| Eliminated on disposal | <u>-</u>                          | <u>(1,751)</u>                | <u>(1,751)</u> |
| At 31 March 2016       | <u>18,744</u>                     | <u>32,576</u>                 | <u>51,320</u>  |
| <b>NET BOOK VALUE</b>  |                                   |                               |                |
| At 31 March 2016       | <u>25,360</u>                     | <u>1,832</u>                  | <u>27,192</u>  |
| At 31 March 2015       | <u>27,124</u>                     | <u>2,033</u>                  | <u>29,157</u>  |

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                   | 2016         | 2015          |
|-------------------|--------------|---------------|
|                   | £            | £             |
| Other debtors     | 85           | 2,498         |
| Grants receivable | <u>1,500</u> | <u>31,454</u> |
|                   | <u>1,585</u> | <u>33,952</u> |

**THE ZONE INITIATIVE LTD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2016**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | 2016          | 2015          |
|---------------------------------|---------------|---------------|
|                                 | £             | £             |
| Bank loans and overdrafts       | -             | 23,402        |
| Trade creditors                 | 22,148        | 8,798         |
| Social security and other taxes | 4,883         | 10,740        |
| Prepaid income                  | <u>44,724</u> | <u>-</u>      |
|                                 | <u>71,755</u> | <u>42,940</u> |

**13. MOVEMENT IN FUNDS**

|                                              | At 1.4.15     | Net<br>movement in<br>funds | At 31.3.16    |
|----------------------------------------------|---------------|-----------------------------|---------------|
|                                              | £             | £                           | £             |
| <b>Unrestricted funds</b>                    |               |                             |               |
| General fund                                 | 23,069        | 7,307                       | 30,376        |
| Reshaping Communities                        | <u>-</u>      | <u>11,808</u>               | <u>11,808</u> |
|                                              | 23,069        | 19,115                      | 42,184        |
| <b>Restricted funds</b>                      |               |                             |               |
| Lottery                                      | 4,180         | (491)                       | 3,689         |
| Fairer Scotland                              | 1,974         | (1,974)                     | -             |
| Scottish Council for Voluntary Organisations | -             | 56                          | 56            |
| East Ayrshire Council - Pre 5s               | -             | 262                         | 262           |
| Reshaping Communities                        | 10,143        | (10,143)                    | -             |
| People & Communities                         | 2,253         | (1,639)                     | 614           |
| EAC - young apprentices                      | -             | 1,754                       | 1,754         |
| Inspiring Scotland                           | 8,271         | (8,271)                     | -             |
| EAC - European Structural Fund P5            | 3,602         | 6,855                       | 10,457        |
| Keep Scotland Beautiful                      | -             | 559                         | 559           |
| Youth link fund                              | -             | 1,211                       | 1,211         |
| Gannochy trust                               | -             | 4,512                       | 4,512         |
| Santander Youth Work                         | <u>-</u>      | <u>5,000</u>                | <u>5,000</u>  |
|                                              | 30,423        | (2,309)                     | 28,114        |
| <b>TOTAL FUNDS</b>                           | <u>53,492</u> | <u>16,806</u>               | <u>70,298</u> |

**THE ZONE INITIATIVE LTD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2016**

**13. MOVEMENT IN FUNDS - continued**

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

|                                                        | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement in<br>funds<br>£ |
|--------------------------------------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b>                              |                            |                            |                           |
| General fund                                           | 28,247                     | (20,940)                   | 7,307                     |
| Reshaping Communities                                  | <u>97,716</u>              | <u>(85,908)</u>            | <u>11,808</u>             |
|                                                        | 125,963                    | (106,848)                  | 19,115                    |
| <b>Restricted funds</b>                                |                            |                            |                           |
| Lottery                                                | 24,500                     | (24,991)                   | (491)                     |
| Fairer Scotland                                        | -                          | (1,974)                    | (1,974)                   |
| Scottish Council for Voluntary Organisations           | 10,451                     | (10,395)                   | 56                        |
| East Ayrshire Council - Pre 5s                         | 2,800                      | (2,538)                    | 262                       |
| Reshaping Communities                                  | 52,432                     | (62,575)                   | (10,143)                  |
| People & Communities                                   | 63,565                     | (65,204)                   | (1,639)                   |
| EAC - young apprentices                                | 56,755                     | (55,001)                   | 1,754                     |
| Inspiring Scotland                                     | -                          | (8,271)                    | (8,271)                   |
| Children In Need                                       | 20,000                     | (20,000)                   | -                         |
| EAC - European Structural Fund P5                      | 53,331                     | (46,476)                   | 6,855                     |
| Keep Scotland Beautiful                                | 19,052                     | (18,493)                   | 559                       |
| Scottish Government - Computer suite and training fund | 19,750                     | (19,750)                   | -                         |
| Youth link fund                                        | 1,500                      | (289)                      | 1,211                     |
| Gannochy trust                                         | 10,000                     | (5,488)                    | 4,512                     |
| Santander Youth Work                                   | <u>5,000</u>               | <u>-</u>                   | <u>5,000</u>              |
|                                                        | 339,136                    | (341,445)                  | (2,309)                   |
| <b>TOTAL FUNDS</b>                                     | <u><u>465,099</u></u>      | <u><u>(448,293)</u></u>    | <u><u>16,806</u></u>      |

**14. RELATED PARTY DISCLOSURES**

During the year Project Manager Elaine Stewart gave a personal loan of £10,000 to the organisation, this was an interest free loan and is permitted per the organisations Memorandum of Articles. The loan has now been repaid in full.

**THE ZONE INITIATIVE LTD**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2016**

|                                                      | 2016<br>£      | 2015<br>£      |
|------------------------------------------------------|----------------|----------------|
| <b>INCOMING RESOURCES</b>                            |                |                |
| <b>Incoming resources from charitable activities</b> |                |                |
| Training fees                                        | 11,049         | 39,547         |
| Registrations                                        | 8,792          | 3,953          |
| Grass Cutting                                        | 5,812          | 8,651          |
| Local donations                                      | 1,194          | 3,060          |
| Grants - Big lottery fund                            | 24,500         | 30,000         |
| Grants - Youth link fund                             | 1,500          | -              |
| Grants - Fairer Scotland                             | -              | 63,900         |
| Grants - Working links                               | -              | 1,138          |
| Grants - SCVO                                        | 10,451         | 3,352          |
| Grants - EAC - pre 5s                                | 2,800          | 3,950          |
| Grants - EAC                                         | 1,400          | -              |
| Grants - Reshaping Communities                       | 97,716         | 59,669         |
| Grants - Peoples Postcode                            | -              | 3,000          |
| Grants - People & Communities                        | 63,565         | 75,100         |
| Grants - EAC young apprentices                       | 56,755         | 9,093          |
| Grants - Inspiring Scotland                          | -              | 67,500         |
| Grants - Children In Need                            | 20,000         | 20,000         |
| Grants - EAC - ESF P5                                | 53,331         | 27,004         |
| Grants - Keep Scot Beautiful                         | 19,052         | 8,136          |
| Grants - Family Buddies                              | 49,432         | 72,308         |
| Grants - gardening                                   | 3,000          | 15,897         |
| Grants - Young Starts                                | -              | 14,450         |
| Grants - Gannochy Trust                              | 10,000         | -              |
| Grants- Scottish Government                          | 19,750         | -              |
| Grants - Santander youth work                        | 5,000          | -              |
|                                                      | <u>465,099</u> | <u>529,708</u> |
| <b>Total incoming resources</b>                      | <b>465,099</b> | <b>529,708</b> |
| <b>RESOURCES EXPENDED</b>                            |                |                |
| <b>Charitable activities</b>                         |                |                |
| Wages                                                | 351,380        | 390,629        |
| Rent, rates and insurance                            | 10,196         | 7,163          |
| Repairs and renewals                                 | 11,651         | 21,209         |
| Light and heat                                       | 4,692          | 5,065          |
| Telephone                                            | 1,737          | 2,098          |
| Postage, stationery & advert                         | 1,753          | 1,330          |
| Wages - work schemes                                 | -              | 22,064         |
| Sundries                                             | 653            | 1,935          |
| Training expenses                                    | 3,801          | 3,897          |
| Travel expenses                                      | 24,706         | 28,729         |
| Curriculum costs                                     | 8,006          | 5,698          |
| Hire of equipment                                    | 1,632          | 1,224          |
| Protective clothing                                  | -              | 25             |
| Carried forward                                      | 420,207        | 491,066        |

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**THE ZONE INITIATIVE LTD**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2016**

|                                       | 2016<br>£            | 2015<br>£            |
|---------------------------------------|----------------------|----------------------|
| <b>Charitable activities</b>          |                      |                      |
| Brought forward                       | 420,207              | 491,066              |
| Subscriptions                         | 340                  | 471                  |
| Purchase of equipment                 | 18,236               | 9,365                |
| Eco tunnel and allotment costs        | 2,230                | 3,300                |
| Home and Family buddies costs         | <u>1,207</u>         | <u>4,496</u>         |
|                                       | 442,220              | 508,698              |
| <b>Governance costs</b>               |                      |                      |
| Auditors' remuneration                | 2,200                | 2,615                |
| <b>Other resources expended</b>       |                      |                      |
| Improvements to property              | 1,764                | 1,764                |
| Fixtures and fittings                 | 614                  | 677                  |
| Loss on sale of tangible fixed assets | <u>87</u>            | <u>-</u>             |
|                                       | 2,465                | 2,441                |
| <b>Support costs</b>                  |                      |                      |
| Finance                               |                      |                      |
| Bank charges                          | <u>1,408</u>         | <u>1,715</u>         |
| <b>Total resources expended</b>       | 448,293              | 515,469              |
|                                       | <hr/>                | <hr/>                |
| <b>Net income</b>                     | <u><u>16,806</u></u> | <u><u>14,239</u></u> |

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