

Registered Company Number: SC462621 (Scotland)

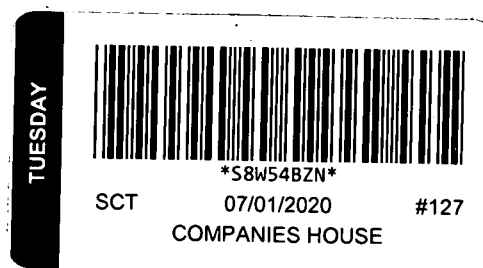
Registered Charity Number: SC044487

STRATHDEARN COMMUNITY DEVELOPMENTS

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 March 2019



STRATHDEARN COMMUNITY DEVELOPMENTS

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for the year ended 31 March 2019

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STRATHDEARN COMMUNITY DEVELOPMENTS

REPORT OF THE TRUSTEES

for the year ended 31 March 2019

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report and financial statements for the year ended 31 March 2019. 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 has been formed to benefit the community of Strathdearn as defined by the Strathdearn Community Council boundary ("the Community") with the following purposes, to be exercised following the principles of sustainable development (where sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs), namely:

- The Company's main purpose is consistent with furthering the achievement of sustainable development. The Company's purposes are:
- To provide, or assist in providing, recreational facilities, and/or organising recreational activities, which will be available to members of the Community and the public at large with the object of improving the conditions of life of the Community.
- To advance community development, including urban or rural regeneration within the Community.
- To advance the education of the Community about its environment, culture, heritage and/or history.
- To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or preservation of buildings or sites of architectural, historic or other importance to the Community.

Main achievements in the year

The company continues to operate the village shop via the wholly owned trading subsidiary White River Trading Ltd, which directly employs six full and part time staff, one of which is a company management position and two of which are fully funded roles. It still has yet to achieve self-sufficiency due to the various challenges arising from the shop location and related business constraints but the local residents regard it as a vital community lifeline that the company believe justifies providing temporary financial assistance until the trading premises move into the new community hub. It is anticipated that this new location will allow the appropriate steps to be taken to achieve self-sufficiency and profit.

Rollout of fibre to premises broadband continues throughout Strathdearn following the success of the upgrades in Moy in the north of the area. The challenges presented to local residents with poor internet connectivity are fully understood by the board and two additional phases spearheaded by key local individuals to improve internet availability in the south of Strathdearn has been supported : the first phase from the south of the village centre to Glenmazeran was overseen and administered by the company and funded by a mixture of community funding, private contributions and local authority grants and was completed in March 2019; the second phase from Glenmazeran to Coignafearn is due to start in Summer/Autumn 2019 and is expected to be completed before the end of the year.

The Moy subcommittee continues to meet monthly in order to manage specific interests of the Moy region within the company and hosted a community event in March to provide an update on developments and to further understand what the local residents desire to see in the immediate locale. The subcommittee has successfully delivered on a number of projects including introducing flower planters in key locations throughout Moy which was replicated elsewhere in Strathdearn, arranged the installation of a defibrillator and a community litter pick, and organised the laying and upgrading of a roadside pathway. The subcommittee is currently working on the design and presentation of place signs to highlight the defining characteristics of the area, has put out to tender for forestry path upgrades to make them suitable for more users and is currently planning the provision of a local meeting place.

STRATHDEARN COMMUNITY DEVELOPMENTS

REPORT OF THE TRUSTEES

for the year ended 31 March 2019 (continued)

Main achievements in the year (continued)

The community hub remains the main project the company is focusing on given its importance in bringing much needed amenities back to the community as well as strengthening those already here such as the village shop and Strathdearn Carers. After many years in planning, the build commenced in late September/early October 2018 and is progressing well and in line with the expected timeline. It is envisaged that the new building will be complete around October 2019 but the upgrades and extension to the existing community hall is not expected to be complete until Spring 2020. A number of directors meet with the construction firm each month for updates, feedback and to make decisions regarding the building. The cost of the building has increased slightly but not outwith expectations of a project of its size and the funding of it is going favourably. The award of a £300,000 grant from the local Strathdearn Community Charitable Trust was received in March 2019 followed quickly by a £500,000 grant from Regional Capital Growth Fund in May. Advances on two wind farm contracts were received prior to the build commencing with a third advance highly likely in summer 2020. A loan facility of £500,000 has been approved for the company and drawdown is expected in August/September 2019. White River Trading Ltd will operate the facility and the board are continuing with planning the effective and successful running of it under the guidance and management of the newly appointed Chief Operating Officer.

The company became Vat registered in September 2018 prior to the community hub commencing for a number of advantages. As part of this change, it was also decided to transfer the operations of the community hall into White River Trading Ltd. A smoothly executed changeover meant minimal disruption to hall users whilst increasing the differentiation between the parent company and the subsidiary and preparing for the operation of the new community facility.

Path upgrades in Moy are progressing well but the challenges facing those planned for Tomatin have remained stubbornly difficult to overcome and resources have been prioritised elsewhere for the time being.

The Highland Home Care scheme continues to operate throughout the strath at minimal cost to the company and remains very popular with clients, staff, residents and external parties. The number of clients using the service has reduced slightly and it is hoped that more people will take advantage of this service to ensure it remains sustainable by the operators.

Smaller scale projects include: working in partnership with SSE to improve road surface conditions to Station Road; undertaking an evaluation for Affordable Housing and meeting with a local landowner regarding land availability for this purpose; administering external funding to the local daycare centre; and commissioning the production of a replica of an old Jacobite stone found in the area for presentation at the new community building.

The accounting and invoicing software, Quickbooks, has been in use by the company and White River Trading Ltd and has been invaluable in managing the village hall and shop effectively. The benefits of remote and shared access by staff and directors who do not share a central office has also been enormous.

The Strengthening Communities Programme grant continues to support the three administration roles within the company and White River Trading Ltd. These roles continue to be very important to the community in managing the level of activities driven by the Board as well as providing employment opportunities. It was confirmed at the end of March that the grant would be renewed for a further six months to September 2019 which exceeded expectations. A grant application for further support under a similar but different scheme was submitted in June 2019 but it is not known if this has been successful.

STRATHDEARN COMMUNITY DEVELOPMENTS

REPORT OF THE TRUSTEES

for the year ended 31 March 2019 (continued)

FINANCIAL REVIEW

Investment policy and objectives

The company continues the policy of holding a small balance in two current accounts where possible with the majority of funds being held on deposit in easy access savings accounts in order to maximise return without disrupting cash flow.

Reserves policy

The charity's policy is to retain sufficient funds to cover its financial and legal obligations and allow it to develop and expand its existing activities. The sum required will be re-assessed each year according to the activities being undertaken.

Donations and legacies

To March 2019, donations and legacies totalling £2,044,469 were received and these are detailed in note 3.

FUTURE PLANS

The successful completion of the community hub will continue to require a significant proportion of company resources until early 2020 but of particular importance at the present time is the refinement of the business strategy upon which the trading company will operate. The reasoning of bringing many amenities under one roof is to make them as robust as possible against economic and location based challenges that come with being a rural community and so the business strategy of being cost neutral within three years is being employed as soon as possible. This has started with the employment via the trading company of the Chief Operating Officer from the middle of July 2019 who in turn is expected to source suitable candidates for the other key roles in the business. The larger hall is expected to be in use from the end October 2019 but a grand opening of the entire facility won't be before Spring 2020.

The Moy subcommittee will continue to meet regularly to determine how to implement the various recommendations and schemes to benefit the area. One of the main priorities will be to identify a feasible parcel of land that is suitable for a meeting place and determining costs and the right design of a building.

The Highland Home Care scheme will continue to be supported and promoted as it is now viewed as an essential service to the area.

The paths project remains active throughout Strathdearn but resources in time and capital have been prioritised for the successful delivery of the community hub and efforts will return to the paths, especially in Tomatin, in the future.

The current lease for the shop premises will come to an end in December 2019 but will likely require an extension of a few months to align with the community hub completion. In the meantime, the shop remains under constant review and all reasonable steps are being taken to keep the community from further amenity loss.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006 and was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Recruitment and appointment of new trustees

The trustees are appointed from the Ordinary members to ensure a spread of skills and experience with up to one individual appointed by Strathdearn Community Council, or its successors, and by Strathdearn Community Charitable Trust. Up to two individuals can be co-opted to the board as trustees.

STRATHDEARN COMMUNITY DEVELOPMENTS

REPORT OF THE TRUSTEES

for the year ended 31 March 2019 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Strathdearn Community Developments is registered as a charity and a limited company. The structure of the company comprises of three levels of members and a maximum of ten board directors. As at 31 March 2019 there are one hundred and fifty two ordinary members, eleven associate members, and five junior members. Similarly, the board consists of five elected trustees as appointed by the ordinary members and one trustee appointed by the Strathdearn Community Council.

Induction and training of new trustees

New trustees/directors are provided with a copy of the company articles which outline the purposes and governing rules of the company as well as guidance to the rights and behaviours expected of all company members, subcommittee volunteers and trustees/directors. New trustees/directors are required to complete a personal Register of Interest at the start of their term to prevent conflicts of interest. Trustees/directors may be allocated an area or project of responsibility which compliments their individual experience or skill set.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC462621 (Scotland)

Registered Charity number

SC044487

Principal address

Strathdearn Village Hall
Tomatin
Inverness-shire
IV13 7YN

Trustees

Mr D M Bryden
Dr R A Cooling (resigned 4/10/18)
Mr S S Cormack
Mrs M S Saunders (resigned 12/5/18)
Mr F Roden (resigned 5/7/18)
Mr J A Duncan
Mrs A J Gardner
Mr S Falconer
Ms M McDonald-Cooke (appointed 12/5/18)

Secretary and Administrator

Mr E A Cameron-Mackintosh

Auditors

MacKenzie Kerr Limited
Chartered Accountants and Statutory Auditors
Redwood
19 Culduthel Road
Inverness
IV2 4AA

STRATHDEARN COMMUNITY DEVELOPMENTS

REPORT OF THE TRUSTEES

for the year ended 31 March 2019 (continued)

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Royal Bank of Scotland plc
Inverness Chief Office
29 Harbour Road
Inverness
IV1 1NU

Solicitors

Macleod & MacCallum Inverness Limited
Solicitors, Estate Agents and Financial Advisers
28 Queensgate
Inverness
IV1 1YN

Morton Fraser
Quatermile Two
2 Lister Square
Edinburgh
EH3 9GL

Subsidiary

The Charity has a wholly owned subsidiary, White River Trading Ltd, which is a company registered in Scotland and acts as the trading arm of the Charity.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Strathdearn Community Developments 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 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.

STRATHDEARN COMMUNITY DEVELOPMENTS

REPORT OF THE TRUSTEES

for the year ended 31 March 2019 (continued)

STATEMENT OF TRUSTEES RESPONSIBILITIES (continued)

In so far as the trustees are aware:

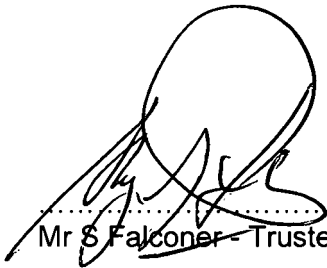
- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, MacKenzie Kerr Limited, will be proposed for re-appointment at the following Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 24 October 2019 and signed on its behalf by:



.....
Mr S Falconer - Trustee

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF STRATHDEARN COMMUNITY DEVELOPMENTS

Opinion

We have audited the financial statements of Strathdearn Community Developments (the group and 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities and the Balance Sheet for the group and the 'charitable company', the Consolidated Cash Flow Statement and the 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 Group and Parent charitable company's affairs as at 31 March 2019 and of the Group and Parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Group and Parent 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 21 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 Group and Parent 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF STRATHDEARN COMMUNITY DEVELOPMENTS (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- proper and adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on pages five to six, 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 Group and Parent 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 it 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.

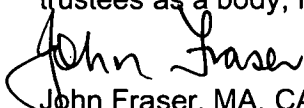
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Comparative figures

The comparative figures are unaudited.

Use of our report

This report is made solely 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 (as amended). Our audit work has been undertaken so that we might state to the charitable company's 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



John Fraser, MA, CA (Senior Statutory Auditor)
For and on behalf of MacKenzie Kerr Limited
Chartered Accountants and Statutory Auditor
Redwood
19 Culduthel Road
Inverness
IV2 4AA

25 October 2019

STRATHDEARN COMMUNITY DEVELOPMENTS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	307,660	1,736,809	2,044,469	202,443
Charitable activities					
Hall hire	6	3,328	1,500	4,828	9,282
Commercial trading operations		174,719	-	174,719	176,298
Other trading activities	4	335	-	335	470
Investment income	5	4,935	-	4,935	1,935
Total		<u>490,977</u>	<u>1,738,309</u>	<u>2,229,286</u>	<u>390,428</u>
EXPENDITURE ON					
Raising funds	7	2,100	-	2,100	3,426
Charitable activities					
Development projects	8	134,891	41,483	176,374	345,699
Hall hire	8	14,768	5,200	19,968	24,187
Commercial trading operations		213,321	-	213,321	208,839
Total		<u>365,080</u>	<u>46,683</u>	<u>411,763</u>	<u>582,151</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds		125,897 (3,623)	1,691,626 3,623	1,817,523 -	(191,723) -
Net movement in funds for the year		<u>122,274</u>	<u>1,695,249</u>	<u>1,817,523</u>	<u>(191,723)</u>
Reconciliation of Funds					
Total funds brought forward		666,857	625	667,482	859,205
Total funds carried forward		<u><u>789,131</u></u>	<u><u>1,695,874</u></u>	<u><u>2,485,005</u></u>	<u><u>667,482</u></u>

STRATHDEARN COMMUNITY DEVELOPMENTS

PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	307,660	1,736,809	2,044,469	202,443
Charitable activities					
Hall hire	6	3,328	1,500	4,828	9,282
Other trading activities	4	335	-	335	470
Investment income	5	7,391	-	7,391	3,411
Total		<u>318,714</u>	<u>1,738,309</u>	<u>2,057,023</u>	<u>215,606</u>
EXPENDITURE ON					
Raising funds	7	2,100	-	2,100	3,426
Charitable activities					
Development projects	8	134,891	41,483	176,374	345,699
Hall hire	8	14,768	5,200	19,968	24,187
Total		<u>151,759</u>	<u>46,683</u>	<u>198,442</u>	<u>373,312</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds		166,955 (3,623)	1,691,626 3,623	1,858,581 -	(157,706) -
Net movement in funds for the year		<u>163,332</u>	<u>1,695,249</u>	<u>1,858,581</u>	<u>(157,706)</u>
Reconciliation of Funds					
Total funds brought forward		718,124	625	718,749	876,455
Total funds carried forward		<u>881,456</u>	<u>1,695,874</u>	<u>2,577,330</u>	<u>718,749</u>

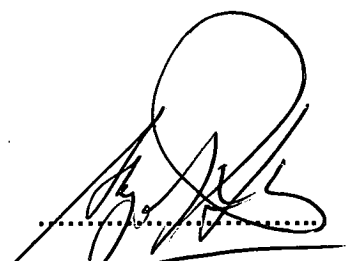
STRATHDEARN COMMUNITY DEVELOPMENTS (REGISTERED NUMBER: SC462621)

BALANCE SHEET

as at 31 March 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed Assets					
Tangible assets	15	1,291,436	324,639	1,288,758	321,363
Current Assets					
Stocks		7,100	7,995	-	-
Debtors	16	618,616	15,192	713,256	76,522
Cash at bank and in hand		868,686	489,046	860,191	480,286
		1,494,402	512,233	1,573,447	556,808
Creditors: amounts falling due within one year	17	(300,833)	(169,390)	(284,875)	(159,422)
Net Current Assets/(Liabilities)		1,193,569	342,843	1,288,572	397,386
Total Assets Less Current Liabilities		2,485,005	667,482	2,577,330	718,749
Capital and Reserves					
Unrestricted funds	18	881,456	718,124	881,456	718,124
Funds retained within a non-charitable subsidiary	18	(92,325)	(51,267)	-	-
Restricted funds	18	1,695,874	625	1,695,874	625
		2,485,005	667,482	2,577,330	718,749

The financial statements were approved by the Trustees on 24 October 2019 and signed on their behalf by



Mr S Falconer - Trustee

STRATHDEARN COMMUNITY DEVELOPMENTS

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2019

	Notes	<u>2019</u> £	<u>2018</u> £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	1	<u>1,360,211</u>	<u>208,474</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		(980,571)	(1,494)
Net cash provided by (used in) investing activities		<u>(980,571)</u>	<u>(1,494)</u>
Change in cash and cash equivalents in the reporting period		379,640	206,980
Cash and cash equivalents at the beginning of the reporting period		<u>489,046</u>	<u>282,066</u>
Cash and cash equivalents at the end of the reporting period		<u><u>868,686</u></u>	<u><u>489,046</u></u>

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2019

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

	<u>2019</u>	<u>2018</u>
	£	£
Net income (expenditure) for the reporting period (as per the statement of financial activities)	1,817,523	(191,723)
Adjustments for:		
Depreciation and amortisation charges	13,774	13,506
(Increase)/decrease in stocks	895	1,964
(Increase)/decrease in debtors	(603,424)	222,789
Increase/(decrease) in creditors	<u>131,443</u>	<u>161,938</u>
Net cash provided by (used in) operating activities	<u><u>1,360,211</u></u>	<u><u>208,474</u></u>

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1. STATUTORY INFORMATION

Strathdearn Community Developments is a private company, limited by guarantee, registered in Scotland. The company registered number and registered office address can be found on the Company Information page.

2. 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 (FRS102) (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.

The financial statements have been prepared in sterling, which is the functional currency of the entity.

Group financial statements

These financial statements consolidate the results of the charitable company, Strathdearn Community Developments, and its wholly owned subsidiary, White River Trading Ltd, on a line by line basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

All donations in kind are included at cost and where they relate to assets are included in both income and the balance sheet in the year of donation/transfer.

Turnover represents net sales of goods, excluding Value Added Tax, arising from operating a village shop and is recognised at the point of sale.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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

Tangible fixed assets held for the charity's own use are stated at cost, being purchase price, less accumulated depreciation and accumulated impairment losses.

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

2. ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write off the cost of fixed assets, less residual value, over their expected useful lives as follows:

Land and buildings	2% on cost
Improvements to property	20% on cost
Furniture, fittings and equipment	15% reducing balance
Computer equipment	50% on cost
Fixtures and fittings	33.33% straight line

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

Assets below £100 are not capitalised.

Stocks

Stocks are stated at the lower of cost and estimated selling price (net realisable value). Costs, which comprise purchase price, are on a first-in-first-out basis. Overheads are charged to profit and loss as incurred. Net realisable value is based on the estimated selling price.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs.

Taxation

The charity is exempt from corporation tax on its charitable activities.
The subsidiary has no tax liability due to losses.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fund accounting

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

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

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.

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

2. ACCOUNTING POLICIES (continued)

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. DONATIONS AND LEGACIES

Group and charity

	Restricted		Unrestricted	
	2019	2018	2019	2018
	£	£	£	£
Windfarm Income	897,613	-	307,660	65,871
Donations	355	281	-	75
Grants	838,841	131,231	-	4,985
	<u>1,736,809</u>	<u>131,512</u>	<u>307,660</u>	<u>70,931</u>

4. OTHER TRADING ACTIVITIES

Group and charity

	Unrestricted	
	2019	2018
	£	£
Lease of premises	335	-
Other income	-	470
	<u>335</u>	<u>470</u>

5. INVESTMENT INCOME

	Unrestricted			
	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Deposit account interest	4,935	1,935	4,935	1,935
Loan interest	-	-	2,456	1,476
	<u>4,935</u>	<u>1,935</u>	<u>7,391</u>	<u>3,411</u>

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

6. INCOME FROM CHARITABLE ACTIVITIES

Group and charity

	Restricted		Unrestricted	
	2019	2018	2019	2018
	£	£	£	£
Hall hires	-	-	3,328	7,162
Grants	1,500	2,120	-	-
	<u>1,500</u>	<u>2,120</u>	<u>3,328</u>	<u>7,162</u>

7. RAISING FUNDS

Group and charity

Raising donations and legacies

	Unrestricted	
	2019	2018
	£	£
Funding/fundraising costs	<u>2,100</u>	<u>3,426</u>

8. CHARITABLE ACTIVITIES COSTS

Group and charity

	Direct costs (See note 9)	Support costs (See note 10)	Total 2019	Total 2018
	£	£	£	£
Development projects	149,983	26,391	176,374	345,699
Hall hire	19,800	168	19,968	24,187
Total	<u>169,783</u>	<u>26,559</u>	<u>196,342</u>	<u>369,886</u>

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Unrestricted	
	2019	2018
	£	£
Room hire	296	456
Rates and water	1,012	398
Insurance	1,090	1,880
Light and heat	613	1,856
Telephone	257	478
Hall maintenance costs	3,673	5,939
Sundries	4,607	-
Project Development Officer	42,500	35,500
Project costs	38,871	144,512
Travel expenses	3,399	2,235
Legal and professional fees	14,988	480
Postage, stationary & misc	771	408
New website and ongoing maintenance	716	1,094
Training	515	-
Depreciation	9,791	8,504
	<u>123,099</u>	<u>203,740</u>

	Restricted	
	2019	2018
	£	£
Grant funded staff costs	37,217	36,888
Hall management costs	5,200	5,200
Project costs	2,596	96,602
Travel expenses	409	366
Postage, stationary & misc	1,237	792
Training	25	203
Depreciation	-	2,148
	<u>46,684</u>	<u>142,199</u>
 Total	 <u>169,783</u>	 <u>345,939</u>

STRATHDEARN COMMUNITY DEVELOPMENTS**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019 (continued)

10. SUPPORT COSTS

	Finance	Governance	Total	Total
	£	costs	2019	2018
		£	£	£
Development projects	80	26,311	26,391	23,777
Hall hire	128	40	168	170
Total	<u>208</u>	<u>26,351</u>	<u>26,559</u>	<u>23,947</u>

11. White River Trading Ltd

Trading activities related to the charitable company's purposes are conducted by White River Trading Ltd. Strathdearn Community Developments are the only member of White River Trading Ltd, a company incorporated in Scotland. A summary of White River Trading Ltd's transactions and financial position is set out below.

	2019	2018
	£	£
Turnover	152,010	156,362
Cost of sales and administration expenses	(215,777)	(210,315)
Other income	22,709	19,936
	<u>(41,058)</u>	<u>(34,017)</u>
Retained loss in subsidiary brought forward	(51,267)	(17,250)
	<u>(92,325)</u>	<u>(51,267)</u>
The assets and liabilities of the subsidiary were:		
Fixed and current assets	21,367	22,895
Current liabilities	(15,958)	(9,968)
Amounts due after one year	(97,734)	(64,194)
	<u>(92,325)</u>	<u>(51,267)</u>
Aggregate share capital and reserves	<u>(92,325)</u>	<u>(51,267)</u>

THE QUEEN ELIZABETH CASTLE OF MEY TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018 (continued)

12. NET INCOME/EXPENDITURE

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

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Net incoming/(outgoing) resources is stated after charging:				
Depreciation of tangible assets	13,774	13,506	9,791	10,652
Auditors' remuneration	8,700	-	5,700	-
Accountancy fees	390	3,592	390	3,592
Other operating leases	296	456	296	456
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13. GRANT FUNDED STAFF COSTS

Group and charity

	2019 £	2018 £
Wages and salaries	37,010	36,870
Other pension costs	207	18
	<u>37,217</u>	<u>36,888</u>

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

2019	2018
2	2
<u> </u>	<u> </u>

No employee received remuneration of more than £60,000.

Trustees are not remunerated. One trustee received reimbursement of expenses, etc amounting to £88 (2018 - no trustees).

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

14. Comparatives for the Consolidated Statement of Financial Activities

	Unrestricted Funds £	Restricted Fund £	Total Funds £
Income and Endowments from			
Donations and legacies	70,930	131,513	202,443
Charitable activities:			
Hall hire	7,162	2,120	9,282
Commercial trading operations	176,298	-	176,298
Other trading activities	470	-	470
Investment income	1,935	-	1,935
Total	256,795	133,633	390,428
Expenditure on			
Raising funds	3,426	-	3,426
Charitable activities:			
Development projects	208,700	136,999	345,699
Hall hire	18,987	5,200	24,187
Commercial trading operations	208,839	-	208,839
Total	439,952	142,199	582,151
Net Income/(Expenditure)	(183,157)	(8,566)	(191,723)
Transfers between funds	(7,783)	7,783	-
Net movement in funds for the year	(190,940)	(783)	(191,723)
Reconciliation of funds			
Total funds brought forward	857,797	1,408	859,205
TOTAL FUNDS CARRIED FORWARD	<u>666,857</u>	<u>625</u>	<u>667,482</u>

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

14. Cont.

Comparatives for the Parent Charity Statement of Financial Activities

	Unrestricted Funds £	Restricted Fund £	Total Funds £
Income and Endowments from			
Donations and legacies	70,930	131,513	202,443
Charitable activities:			
Hall hire	7,162	2,120	9,282
Other trading activities	470	-	470
Investment income	3,411	-	3,411
Total	81,973	133,633	215,606
Expenditure on			
Raising funds	3,426	-	3,426
Charitable activities:			
Development projects	208,700	136,999	345,699
Hall hire	18,987	5,200	24,187
Total	231,113	142,199	373,312
Net Income/(Expenditure)	(149,140)	(8,566)	(157,706)
Transfers between funds	(7,783)	7,783	-
Net movement in funds for the year	(156,923)	(783)	(157,706)
Reconciliation of funds			
Total funds brought forward	875,047	1,408	876,455
TOTAL FUNDS CARRIED FORWARD	<u>718,124</u>	<u>625</u>	<u>718,749</u>

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

15. TANGIBLE FIXED ASSETS

Group

	Freehold Property £	Assets under construction £	Improvements to property £	Plant and machinery £
COST				
At 1 April 2018	334,472	-	1,822	-
Additions	-	965,899	-	79
At 31 March 2019	334,472	965,899	1,822	79
DEPRECIATION				
At 1 April 2018	20,067	-	1,092	-
Charge for the year	6,689	-	364	26
At 31 March 2019	26,756	-	1,456	26
NET BOOK VALUES				
At 31 March 2019	307,716	965,899	366	53
At 31 March 2018	314,405	-	730	-

	Furniture, fittings & equip £	Computer equipment £	Fixtures and fittings £	Totals £
COST				
At 1 April 2018	9,934	5,931	8,562	360,721
Additions	11,208	-	3,385	980,571
At 31 March 2019	21,142	5,931	11,947	1,341,292
DEPRECIATION				
At 1 April 2018	3,820	5,817	5,286	36,082
Charge for the year	2,598	114	3,983	13,774
At 31 March 2019	6,418	5,931	9,269	49,856
NET BOOK VALUES				
At 31 March 2019	14,724	-	2,678	1,291,436
At 31 March 2018	6,114	114	3,276	324,639

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

15. TANGIBLE FIXED ASSETS

Charity

	Freehold Property £	Assets under construction £	Improvements to property £	Plant and machinery £
COST				
At 1 April 2018	334,472	-	1,822	-
Additions	-	965,899	-	79
At 31 March 2019	334,472	965,899	1,822	79
DEPRECIATION				
At 1 April 2018	20,067	-	1,092	-
Charge for the year	6,689	-	364	26
At 31 March 2019	26,756	-	1,456	26
NET BOOK VALUES				
At 31 March 2019	307,716	965,899	366	53
At 31 March 2018	314,405	-	730	-

	Furniture, fittings & equip £	Computer equipment £	Totals £
COST			
At 1 April 2018	9,934	5,931	352,159
Additions	11,208	-	977,186
At 31 March 2019	21,142	5,931	1,329,345
DEPRECIATION			
At 1 April 2018	3,820	5,817	30,796
Charge for the year	2,598	114	9,791
At 31 March 2019	6,418	5,931	40,587
NET BOOK VALUES			
At 31 March 2019	14,724	-	1,288,758
At 31 March 2018	6,114	114	321,363

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

16. DEBTORS

Amounts falling due within one year:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Sundry debtors	507,475	14,858	504,381	11,994
V.A.T. refundable	110,978	-	110,978	-
Prepayments and accrued income	163	334	163	334
	<u>618,616</u>	<u>15,192</u>	<u>615,522</u>	<u>12,328</u>

Amounts falling due after more than one year:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Amounts owed by group undertakings	-	-	97,734	64,194
	<u>-</u>	<u>-</u>	<u>97,734</u>	<u>64,194</u>
Aggregate amounts	<u>618,616</u>	<u>15,192</u>	<u>713,256</u>	<u>76,522</u>

The debtors include a grant due from Highland Council which has been secured over the Village Hall.

17. CREDITORS

Amounts falling due within one year:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors and accruals	4,179	4,579	-	-
Other creditors	296,654	164,811	284,875	159,422
	<u>300,833</u>	<u>169,390</u>	<u>284,875</u>	<u>159,422</u>

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

18. Reconciliation of funds - Group Unrestricted funds:

	General Fund £	Funds retained within a non - charitable subsidiary £	Unrestricted Total 2019
Represented by:			
Tangible fixed assets	322,859	2,678	325,537
Net current assets	558,597	(95,003)	463,594
	<u>881,456</u>	<u>(92,325)</u>	<u>789,131</u>

Restricted funds:

	STV Grant £	Strengthening Communities Programme £	Building of Community Hub £	Total Funds 2019 £	Total Funds 2018 £
Represented by:					
Tangible fixed assets	-	-	965,899	1,291,436	324,639
Net current assets	(401)	(1,969)	732,345	1,193,569	342,843
	<u>(401)</u>	<u>(1,969)</u>	<u>1,698,244</u>	<u>2,485,005</u>	<u>667,482</u>

Restricted funds:

STV grant fund represents funds to be used for the benefit of children.

Strengthening Communities Programme fund represents funds to be used to support the community.

Building of Community Hub represents funds raised to support the building of a Community Hub.

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

19. CAPITAL COMMITMENTS

Strathdearn Community Developments signed an agreement with BT Openreach on 23 December 2016 for the sum of £100,892 to be paid in full upon completion of installation of broadband upgrades in Moy. Half (£50,446) was due on the signing of the contract but BT Openreach have yet to invoice the company for this. Under the Better Broadband Scheme, 43 Moy residents had signed up (as at April 2017) which will likely reduce the overall cost by £15,050 to £85,842. As there is a time restraint on when these can be claimed by BT Openreach under the scheme, the vouchers won't be redeemed until the money is due at the end of the project.

STRATHDEARN COMMUNITY DEVELOPMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (continued)

19. CAPITAL COMMITMENTS (continued)

At the year end, Strathdearn Community Developments had a contract in place to build a Community Hub in respect of which £1,304,763 represented work still to be carried out at the year end and £217,606 related to estimated additional construction costs. There was also £34,760 of work still to be carried out by the Clerk of Works on the same project.

At the year end, White River Trading Ltd, the subsidiary, had taken the decision to proceed with the purchase of a bakery oven at a cost of £3,326.

20. CONTINGENT LIABILITIES

At 31 March 2019, there was a loan outstanding to White River Trading Ltd which will steadily increase until the community hub is built at which point it is hoped a repayment plan will be established. Until such time, ongoing support to White River Trading Ltd will be required.

Concerning the paths project, the Board had agreed with the construction firm a cost of £58,514 plus Vat back in November 2015 but to date the company has only paid £18,062 on construction. The remaining balance on the agreement is now void as the specification has changed and remains undecided. This could see the estimated cost double and an agreement on this seems very distant.

21. APB Ethical Standard – Provisions Available for Small Entities (Revised)

In common with many other businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.